

BIDDER INFORMATION MATERIALS

bgs-auction.com

NEW JERSEY STATEWIDE BASIC GENERATION SERVICE ELECTRICITY SUPPLY AUCTION

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A. DISCLAIMER

The information and these materials (the “January Bidder Information Packet”) distributed to Registered Bidders and related to the statewide Auction Process for New Jersey Basic Generation Service (“BGS”) Load (the “Auction Materials”) have been prepared by the New Jersey Electric Distribution Companies (“EDCs”)¹ and their group of advisors based on their joint Proposal for Basic Generation Service Requirements To Be Procured Effective June 1, 2018 (I/M/O The Provision of Basic Generation Service for the Period Beginning June 1, 2018, Docket No. ER17040335) and each EDC’s Company Specific Addendum, submitted to the New Jersey Board of Public Utilities (“Board” or “BPU”) on June 30, 2017, the Board’s decisions and Orders in this proceeding and the compliance filing submitted by December 4, 2017 to the Board by the EDCs in Docket No. ER17040335.

These Auction Materials are subject to modification and amendment, which may be announced or posted on the [BGS Auction website](#).² However, as more fully explained below, the BGS Auction website is not the exclusive source of information that may be relevant to a recipient’s decision to participate in the Auction Process or that may be relevant to the level of such participation.

The Auction Materials are prepared and distributed for the sole purpose of providing general information about the BGS Auctions in order to assist potential participants in determining whether they should undertake further investigation and consideration of participation in the Auction Process.

Each recipient agrees that it will use the Auction Materials for the sole purpose of assisting in the evaluation of the Auction Process. The Auction Materials are not intended to form any part of the basis of any investment decision or valuation by a recipient or any other party. Furthermore, the Auction Materials are not a recommendation by the EDCs, the BPU, or their advisors to any recipient to participate in the Auction Process, and must not be considered as such.

By accepting the Auction Materials, each recipient acknowledges that: (i) before participating in the Auction Process, the recipient will make its own independent assessment of the potential value of supplying any part of BGS Load after making all investigations it deems necessary or advisable in its sole discretion; (ii) the information supplied in the webcasts, or as may be disseminated by the EDCs or their advisors on the

¹ The EDCs are Public Service Electric and Gas Company (“PSE&G”), Jersey Central Power & Light Company (“JCP&L”), Atlantic City Electric Company (“ACE”), and Rockland Electric Company (“RECO”).

² <http://www.bgs-auction.com>

BGS Auction website or otherwise, is not intended to be and does not purport to constitute a sufficient basis for the recipient to determine whether to participate in the Auction Process or the terms and extent of any such participation; and (iii) the EDCs, the BPU, and their advisors will not be responsible for identifying, evaluating, or bringing to the attention of the recipient information that may bear on the cost or value of supplying any part of BGS Load.

Any statements herein describing or referring to documents and agreements are summaries only and are qualified in their entirety by reference to such documents and agreements. The Auction Materials should not be considered to be or to express the terms of a contract of any kind between the EDCs or their advisors and the recipient(s). Likewise, recipients must not consider the Auction Materials as any form of guaranty. Recipients should not construe the Auction Materials as legal, business, or tax advice. Before deciding on its participation or the level of such participation, each recipient should consult with its legal, economic, technical, and financial advisors.

Delivery of the Auction Materials will not create any implication that there has not been, since the date hereof, a change with respect to the facts or circumstances herein described, or that the information is correct as of any time subsequent to the date hereof. None of the EDCs, the BPU, or their advisors assumes any obligation to revise, update or supplement any matter herein described to reflect changes, events or conditions, which occur subsequent to the date hereof. Each recipient is solely and independently responsible for keeping itself informed of any changes to the Auction Materials, as well as potential changes to the facts, circumstances and matters described herein, and for determining what other sources of information to consult when deciding whether to participate in the Auction Process or that may be relevant to the level of such participation.

B. ACTIVITIES AFTER THE BOARD DECISION

The disclaimer provided as Section A of this January Bidder Information Packet applies to all sections, including this section. Bidders bear full responsibility for reviewing all governing documents and for complying with any additional instructions from the Auction Manager during the Auction Process.

This section details activities and information releases occurring after the decision by the New Jersey Board of Public Utilities (“BPU” or “Board”) on the proposal filed by the Electric Distribution Companies (“EDCs”)¹.

B.1. Regulatory Proceeding

Companion Documents: Sub-section C.2 of the [BGS Auction Process](#) Section of the October Bidder Information Packet is a **companion document** that provides a timeline and brief overview of the BGS regulatory process. [Section A](#) of the November Bidder Information Packet updates this content by describing the activities under the regulatory proceeding that took place as of the date of the webcast, November 27, 2017, and as such is also a companion document to this sub-section. This sub-section of the January Bidder Information Packet updates the content of these companion documents by describing the activities under the regulatory proceeding that took place after November 27, 2017 and prior to the January 23, 2018 webcast. The October and November Bidder Information Packets are available on the [info sessions](#) page² of the BGS Auction website.

At its agenda meeting on November 21, 2017, the Board rendered its decision on the EDCs’ proposal. The Board approved the main elements of the EDCs’ proposal, which have been stable over the past several years. Please consult the [Board Order](#)³ for full details regarding the Board’s actions. The [Board Order](#) required that the EDCs submit a compliance filing by December 4, 2017 so that all governing documents would be consistent with the Board’s Order.

On November 29, 2017, the Auction Manager made available for bidders the final Auction Rules and Supplier Master Agreements (“SMAs”) to be included with the EDCs’

¹ The EDCs are Public Service Electric and Gas Company (“PSE&G”), Jersey Central Power & Light Company (“JCP&L”), Atlantic City Electric Company (“ACE”), and Rockland Electric Company (“RECO”).

² <http://bgs-auction.com/bgs.bidinfo.ip.asp>

³ [http://bgs-auction.com/documents/BPU_Order_Approving_2018_Auction_Process_\(November_21_2017\).pdf](http://bgs-auction.com/documents/BPU_Order_Approving_2018_Auction_Process_(November_21_2017).pdf)

compliance filing. The Auction Rules were posted to the [bgs proceeding](#) page⁴ and the [auction rules](#) page⁵ of the BGS Auction website. The SMAs were posted to the [bgs proceeding](#) page and the [contract and credit](#) page⁶ of the BGS Auction website. Each EDC's Company Specific Addendum and rate spreadsheets included in the compliance filing were posted to the [bgs proceeding](#) page of the BGS Auction website.

On December 11, 2017, the Board approved the compliance filing. This approval is provided in the Secretary of the Board's [letter](#)⁷ and confirms that the compliance filing documents were consistent with the Board's decision and were the final documents for the 2018 BGS Auctions. These documents, including the Auction Rules, SMAs, and Company Specific Addendum for each EDC, were posted to the [bgs proceeding](#) page. The Auction Rules and SMAs were also made available by the Auction Manager in hardcopy format upon request to bgs-auction@nera.com.

A calendar of these events is provided below.

Activity	Date
November 2017	
Board Decision	Tuesday, November 21, 2017
Information Webcast for Potential Bidders	Monday, November 27, 2017
Auction Rules and Supplier Master Agreements from compliance filing are posted	Wednesday, November 29, 2017
December 2017	
EDC Compliance Filing	Monday, December 4, 2017
Approval of Compliance Filing	Monday, December 11, 2017

⁴ <http://bgs-auction.com/bgs.auction.regproc.asp>

⁵ <http://bgs-auction.com/bgs.bidinfo.ar.asp>

⁶ <http://bgs-auction.com/bgs.bidinfo.cc.asp>

⁷ http://bgs-auction.com/documents/2018_BGS-Secretary's_Letter_Regarding_EDC_Compliance_Filing_11_DEC_2017.pdf

B.2. Application Process

Companion Document: Sub-section C.4 of the [BGS Auction Process](#) Section of the October Bidder Information Packet is a **companion document** that provides a timeline and brief overview of the application process. [Section C](#) of the November Bidder Information Packet updates this content by describing the activities under the application process and is also a companion document. This sub-section of the January Bidder Information Packet updates the content of these companion documents by describing the activities under the application process that took place after November 27, 2017 and prior to the January 23, 2018 webcast. The October and November Bidder Information Packets are available on the [info sessions](#) page of the BGS Auction website.

The Application Process began on November 28, 2017 with the opening of the online application portal for the Part 1 Application and concluded on January 18, 2018 when bidders were registered to participate in the Auctions. This section summarizes the main events of the Application Process.

Part 1 Application

The online Part 1 Form was accessed by Applicants at <http://www.bgs-application.com>. The Auction Manager distributed login credentials to interested parties that requested access. In the online Part 1 Form, Applicants provided basic information such as the Applicant's legal name, name and contact information for the Applicant, as well as financial information for the entity on whose financial standing the Applicant would rely under the terms of the SMAs. Applicants also made a number of certifications by completing various inserts accompanying the Part 1 Form. The Part 1 Application was completed by filling in the online Part 1 Form. The Part 1 Application was due by 12 PM (noon) on December 12, 2017.

An Applicant that successfully completed the requirements of the Part 1 Application became a "Qualified Bidder" and received a "Notification of Qualification" from the Auction Manager on December 15, 2017. As part of the Notification of Qualification, which was sent separately for participation in the BGS-CIEP and BGS-RSCP Auctions, an Applicant received a creditworthiness assessment for the entity on whose financial standing the Applicant relied (the Applicant or the Applicant's guarantor). This assessment was made using the criteria of the SMAs and this assessment determined the pre-auction security that a Qualified Bidder had to provide with the Part 2 Application.

Qualified Bidders that submitted a Part 2 Application for the BGS-CIEP Auction were required to submit a Pre-Auction Letter of Credit in an amount of \$375,000 per tranche of the Qualified Bidder's indicative offer at the maximum starting price. Qualified Bidders

that submitted a Part 2 Application for the BGS-RSCP Auction were required to submit a Pre-Auction Letter of Credit in an amount of \$500,000 per tranche of the Qualified Bidder's indicative offer at the maximum starting price. Some Qualified Bidders in the BGS-RSCP Auction had to provide additional pre-auction security in the form of a Letter of Reference and/or a Letter of Intent to Provide a Guaranty in an amount of \$1,900,000 per tranche of the Qualified Bidder's indicative offer at the maximum starting price.

Part 2 Application

The online Part 2 Form was accessed by Qualified Bidders at <http://www.bgs-application.com> using the same login credentials as those used for the online Part 1 Form. The requirements of the Part 2 Application included:

- updating contact information as necessary;
- providing indicative offers;
- providing pre-auction security to support the indicative offer; and
- making a number of certifications required for compliance with the Association and Confidential Information Rules.

Representatives from the EDCs and the Auction Manager reviewed the pre-auction security documents and the Auction Manager notified bidders whether such documents were acceptable to the EDCs. The Part 2 Application was due by 12 PM (noon) on January 10, 2018.

A Qualified Bidder that successfully completed the requirements of the Part 2 Application became a "Registered Bidder" and received a "Notification of Registration" from the Auction Manager on January 18, 2018. As part of the Notification of Registration, which was sent separately for participation in the BGS-CIEP and BGS-RSCP Auctions, a Qualified Bidder received a letter from the Auction Manager that the Qualified Bidder was required to complete. The purpose of the letter is to provide confirmation that the Qualified Bidder would continue to abide by the certifications made in the Part 1 and Part 2 Applications. Furthermore, the letter puts Registered Bidders on notice that all calls to and from the Auction Manager's office during the Auctions are recorded. Upon receipt of this letter for a Registered Bidder, the Auction Manager sends to the Registered Bidder the login credentials and other confidential information required to participate in the Trial Auctions, held on January 25, 2018.

A calendar of these events is provided below.

Activity	Deadline
November 2017	
Online Part 1 Form made available to Bidders	Tuesday, November 28, 2017
December 2017	
Deadline to submit Part 1 Application due by NOON	Tuesday, December 12, 2017
Part 1 Applications are reviewed	December 12-15, 2017
Applicants are notified of Part 1 Application results	Friday, December 15, 2017
Online Part 2 Form made available to Bidders	Monday, December 18, 2017
January 2018	
Deadline to submit Part 2 Application due by NOON	Wednesday, January 10, 2018
Part 2 Applications are reviewed	January 10-18, 2018
Applicants are notified of Part 2 Application results	Thursday, January 18, 2018

B.3. Bidder Training and Information Releases

Companion Documents: Sub-section C.5 of the [BGS Auction Process](#) Section of the October Bidder Information Packet is a **companion document** that provides a timeline and brief overview of bidder training and information releases. [Section D](#) of the November Bidder Information Packet updates this content by providing additional details on these activities and as such is also a companion document to this sub-section. This sub-section of the January Bidder Information Packet updates the content of these companion documents by summarizing the activities that took place after the November 27, 2017 webcast and by the January 23, 2018 webcast as well as by providing a timeline for the remainder of activities up to the Auctions. The October and November Bidder Information Packets are available on the [info sessions](#) page of the BGS Auction website.

The following information releases occurred between the November 27, 2017 webcast and the January 23, 2018 webcast:

- Announcement of transmission rates;
- Posting of final rate spreadsheets and announcement of final seasonal factors;
- Announcement of tranche fees;

- Mark-to-Market information; and
- Posting of final decrement formulas.

While the Auction Manager initially planned to announce the rates for Firm Transmission Service for each EDC for purposes of the 2018 Supplier Master Agreements (“SMAs”) on January 5, 2018, this announcement was delayed to January 16, 2018. BGS Suppliers are responsible for providing full-requirements service, including transmission. In the BGS-CIEP SMA, these rates correspond to the Transmission Charge for each EDC. In the BGS-RSCP SMA, these rates correspond to the baseline Firm Transmission Rate against which changes will be calculated. The announcement was sent to all registrants and was posted to the BGS Auction website.

The EDCs updated the inputs to their rate spreadsheets in January 2018 including an update to the transmission obligations. The updated rate spreadsheets were posted to the [additional data](#) page⁸ of the BGS Auction website on January 17, 2018. The Auction Manager announced the final seasonal factors resulting from the update to the EDCs’ rate spreadsheets on January 17, 2018. The Auction Manager also posted a BGS-RSCP pricing spreadsheet tool to the [additional data](#) page of the BGS Auction website for the convenience of bidders. While this tool is intended to provide bidders with an easy-to-use device that translates final BGS-RSCP Auction prices for each EDC into BGS-RSCP retail rates, bidders are reminded that no representation or warranty is made as to the accuracy of the spreadsheet, the formulas, or the data. Bidders are fully responsible for reviewing the information in the final rate spreadsheet and in each EDC’s compliance filing.

The Auction Manager released on January 23, 2018 information regarding the method used to calculate the Mark-to-Market (“MtM”) exposure amount under the terms of the BGS-RSCP SMA. The MtM exposure is calculated daily for each BGS-RSCP supplier as market prices for energy fluctuate; this amount also takes into consideration amounts due to the BGS-RSCP Supplier. This information release was posted to the [contract and credit](#) page of the BGS Auction website.

On the same date, the last webcast for Registered Bidders was held. The main objective of the webcast is to familiarize bidders with the bidding procedures, especially the operation of the Auction Software. The webcast presentation and corresponding audio file were posted to the [backup bidding](#) page⁹ of the BGS Auction website. The [backup](#)

⁸ <http://bgs-auction.com/bgs.dataroom.occ.asp>

⁹ <http://bgs-auction.com/bubid/bgs.bidinfo.bubid.asp>

[bidding](#) page is secure and can only be accessed by Registered Bidders with a valid username and password provided by the Auction Manager.

The Auction Manager also announces the tranche fees during the webcast. BGS suppliers are assessed a fee for each tranche that they win in the Auctions to cover the administrative costs of the Auctions. The tranche fees are netted against the first payment made to the BGS supplier during the supply period (July statement). The tranche fees are announced separately for the BGS-CIEP and the BGS-RSCP Auctions.

On January 23, 2018 as well, the Auction Manager posted the final decrement formulas to the [auction rules](#) page of the BGS Auction website. The decrement formulas calculate the percentage decrease in price for an EDC in an Auction on the basis of the excess supply on an EDC compared to a measure of the maximum possible excess supply on that EDC. The decrement formulas are different for each EDC and are also different depending on the “regime” in which the Auction is. The Auction starts in regime 1 where the decrements are between 0.5% and 5%. After total excess supply has decreased by a specific threshold, the Auction moves to regime 2 where the decrements are between 0.375% and 3.75%. Finally, as total excess supply decreases to a second, lower threshold, the Auction moves to regime 3 where the decrements are between 0.25% and 2.5%. Once the last range of excess supply has been reached, the Auction is always in regime 3. The Auction Manager also has the ability to make changes to the ranges of total excess supply at the time at which the final decrement formulas are posted.

After the webcast is held, the following information release and training activities take place:

- Trial Auctions are held; and
- Registered Bidders are informed of the starting prices.

In their Notification of Registration, Registered Bidders are invited to take part in Trial Auctions scheduled for Thursday, January 25, 2018. The purpose of the Trial Auctions is to practice the use of the Auction Software from the Registered Bidders’ bidding locations and to practice use of the backup bidding procedure. This helps Registered Bidders be prepared for online bidding in the Auctions and provides Registered Bidders the opportunity to practice backup bidding.

A Confidential Information Packet, including login credentials, is provided to a Registered Bidder once the Registered Bidder returns the letter to the Auction Manager that confirms that it will abide by the previously made certifications sent when they are registered to bid in the Auctions. The content of the Confidential Information Packet is provided in the table below.

Table B-1. Confidential Information Packet for Bidding in the Trial Auctions

Document	Contents
Login Credentials	<ul style="list-style-type: none"> ▪ Login ID and initial password ▪ URL to access Auction Software ▪ Code keys for backup bidding
Troubleshooting Checklist	<ul style="list-style-type: none"> ▪ Solutions for common technical problems ▪ Phone number for technical assistance
Trial Auction Instructions	<ul style="list-style-type: none"> ▪ Schedule for Trial Auctions ▪ General instructions to practice online bidding ▪ General instructions to practice the backup bidding procedure ▪ Bidder-specific instructions (rounds in which to practice the backup bidding procedure and in which to request an extension)
Backup Bidding Page Access	<ul style="list-style-type: none"> ▪ Username and password for access to the backup bidding page of the BGS Auction website ▪ Instructions for access to the page ▪ Contents of the page

The pages with the login credentials to submit bids in the Trial Auctions are color-coded to find the information needed more easily. The information related to the BGS-RSCP Auction has a **pink border** while the information related to the BGS-CIEP Auction has an **orange border**.

A similar packet is provided to Registered Bidders for participation in the actual Auctions. For receipt on Tuesday, January 30, 2018, the Auction Manager will send via secure file transfer documents for bidding in the Auction or Auctions in which a bidder is registered. The Confidential Information Packet for the actual Auctions is different from the Confidential Information Packet for the Trial Auctions, including a different login credentials page. The Confidential Information Packet for bidding in the actual Auctions is described in the table below.

Table B-2. Confidential Information Packet for Bidding in the Actual Auctions

Document	Contents
Login Credentials	<ul style="list-style-type: none"> ▪ Login ID and initial password ▪ URL to access Auction Software ▪ Code keys for backup bidding
Troubleshooting Checklist	<ul style="list-style-type: none"> ▪ Solutions for common technical problems ▪ Phone number for technical assistance
Nominee Insert	<ul style="list-style-type: none"> ▪ The Authorized Representative can use the Insert to add Nominees or update their list of Nominees

The pages with the login credentials needed to submit bids in the actual Auctions are color-coded to find the information needed more easily. The information related to the BGS-RSCP Auction has a **blue border** while the information related to the BGS-CIEP Auction has a **green border**.

The Auction Manager will notify Registered Bidders of the starting prices for an Auction no later than three (3) business days prior to the start of that Auction. The Auction Manager expects to inform Registered Bidders in the BGS-CIEP Auction of the EDC-specific prices for round 1 on Tuesday, January 30, 2018. The Auction Manager expects to inform Registered Bidders in the BGS-RSCP Auction of the EDC-specific prices for round 1 no later than Wednesday, January 31, 2018. These notifications are made by phone to the Authorized Representative named in the Part 1 Application.

A calendar of these events is provided below.

Activity	Deadline
Transmission Rates announced	Tuesday, January 16, 2018
Final seasonal factors announced	Wednesday, January 17, 2018
Final rate spreadsheets posted	Wednesday, January 17, 2018
BGS-RSCP rate spreadsheet tool posted	Wednesday, January 17, 2018
Confidential information needed to participate in Trial Auctions sent to Registered Bidders	January 18-24, 2018
Mark-to-Market Information Release posted	Tuesday, January 23, 2018
Auction Manager informed Registered Bidders of changes to decrement formulas	Tuesday, January 23, 2018
Tranche Fees announced to Registered Bidders	Tuesday, January 23, 2018

Activity	Deadline
Information Webcast for Registered Bidders	Tuesday, January 23, 2018
Trial Auctions for Registered Bidders	Thursday, January 25, 2018
Auction Manager informs Bidders registered in the BGS-CIEP Auction of starting prices	Tuesday, January 30, 2018
Auction Manager informs Bidders registered in the BGS-RSCP Auction of starting prices	Wednesday, January 31, 2018

B.4. Communication with the Auction Manager

This sub-section is to remind bidders how to contact the Auction Manager generally and more particularly during the Auctions.

Phone and Email

(973) 297-0880 (phone)
bgs-auction@nera.com

Mail

BGS Auction Manager Team
 One Gateway Center, Suite 720
 Newark, NJ 07102

Website

Bidders may ask questions through the [ask a question](#) page¹⁰ of the BGS Auction website, including questions regarding rules, contract issues, and data. Detailed steps for submitting questions through the BGS Auction website are provided below.

¹⁰ <http://bgs-auction.com/bgs.contactus.asp>

The screenshot shows the BGS Auction Manager website interface. At the top left is the logo 'bgs-auction.com' with the tagline 'NEW JERSEY STATEWIDE BASIC GENERATION SERVICE ELECTRICITY SUPPLY AUCTION'. To the right is a search bar with a 'Go' button. Below the logo is a navigation menu with items: home, auction, bidder info, calendar, data room, faqs, news, contact us, and application. The 'contact us' item is expanded to show a sub-menu with 'register' and 'ask a question' options. The 'ask a question' option is circled in red. Below the navigation is a 'How to reach us' section with contact information for the BGS Auction Manager Team. Below that is an 'Ask a Question' form with fields for Subject (a pull-down menu), Name, Company, Email address, and a text area for Questions / Comments. To the right of the form is a 'What's New' section with several announcements and reminders.

Use the pull-down menu to ask a question on a particular topic. Questioners will be asked to enter their name, company information and email address.

Ask a Question

To submit a question or comment, use the form below.

Subject: * I have a question/comment about...
 Name: * I have a question/comment about...
 Company: * Applications
 Contract
 Credit
 Data
 Payments/Rates
 Rules
 SMA Section 15.9
 Other/General
 I am having trouble with the web site
 I want to contact the auction manager
 Other

Email address: *

Questions / Comments:

CALLE Florencia

Type the text

Privacy & Terms

submit reset

Next, questioners will be asked to enter the text that appears in the reCAPTCHA™ box as shown above, before they click on the “submit” button to send in their question. For instance, in the image above, the questioner will be required to enter “CALLE Florencia” in the reCAPTCHA™ box before submitting their question. The questioner can start again by clicking the “reset” button.

Ask a Question

Thank you! Your message has been received. We will respond to you shortly.

Click [HERE](#) to return to the home page or click [HERE](#) to ask another question.

Once “submit” has been clicked, the questioner will see the confirmation page as shown above. Please click on the second “HERE” button on this page to submit an additional question.

The Auction Manager does not post FAQs to the BGS Auction website from the date at which bidders are registered to participate in the Auctions (January 18, 2018) through the close of the Auctions. Instead, the Auction Manager sends a document with new FAQs directly to Registered Bidders as often as necessary.

During the Auctions, bidders should contact the helpline at 973-297-0880 for technical assistance. Bidders may continue to ask general question through the website and via email to bgs-auction@nera.com; these will be answered as time permits. Bidders also have the opportunity to send a question directly to the Auction Manager via System Mail¹¹ in the Auction Software. However, bidders are advised that such questions should be limited to urgent questions regarding submitting bids in the Auctions.

¹¹ System Mail is the messaging function in the Auction Software. Please see the Auction Software Manual for a detailed description of System Mail.

C. BIDDER GUIDE TO THE AUCTION RULES

The disclaimer provided as Section A of this January Bidder Information Packet applies to all sections, including this section. Bidders bear full responsibility for reviewing all governing documents and for complying with any additional instructions from the Auction Manager during the Auction Process.

This section is provided for bidder convenience only. Any statements herein describing the Auction Rules are summaries only and are qualified in their entirety by the Final BGS-RSCP Auction Rules and the Final BGS-CIEP Auction Rules (I/M/O The Provision of Basic Generation Service for the Period Beginning June 1, 2018, Docket No. ER17040335), which are governing documents for the Auctions. The BGS-RSCP and BGS-CIEP Auction Rules are available on the [auction rules](#) page¹ of the BGS Auction website.

C.1. Overview

C.1.a. Background

The New Jersey Electric Distribution Companies (“EDCs”) are Public Service Electric and Gas Company (“PSE&G”), Jersey Central Power & Light Company (“JCP&L”), Atlantic City Electric Company (“ACE”), and Rockland Electric Company (“RECO”).

At the request of the New Jersey Board of Public Utilities (“Board” or “BPU”), the EDCs worked together to develop a detailed proposal for the competitive bidding of BGS that builds on the experience of the BGS Auctions since 2002. The Board rendered its decision on the EDCs’ proposal on November 21, 2017, approving the main elements of the statewide Auction Process to procure the supply needed to meet their BGS loads.

The EDCs’ larger commercial and industrial customers are on an hourly-priced plan (BGS-CIEP, CIEP for “commercial and industrial energy pricing”). All commercial and industrial customers 500 kW or greater, as well as customers in particular rate classes, if they take BGS, must do so on a CIEP tariff or rate. Please see the table entitled “Customers Who Must Take BGS on a CIEP Tariff” in the Final BGS-RSCP Auction Rules or the Final BGS-CIEP Auction Rules for a precise description. The EDCs’ residential and smaller commercial customers (BGS-RSCP, RSCP for “residential small commercial pricing”) are on an “all-in” price plan. There will be separate Auctions to solicit bids for BGS-CIEP load and for BGS-RSCP load, but these two Auctions will be run concurrently in a single statewide process.

¹ <http://bgs-auction.com/bgs.bidinfo.ar.asp>

Market participants wishing to supply the needs of BGS customers must do so by bidding in this statewide Auction Process. For any portion of the BGS load that is not purchased through the Auctions, the EDCs will purchase necessary services through PJM-administered markets.

A clock auction will be used to solicit bids. A clock auction proceeds in a series of rounds. When a participant bids in a round, the participant is stating the number of tranches that it is willing to serve for each EDC at the prices quoted at that point in the Auction. If the number of tranches bid for an EDC is greater than the number of tranches needed – if there is excess supply – then the price for the EDC is reduced in the next round. As prices tick down, participants reduce the number of tranches they wish to bid and participants can switch the tranches they are willing to bid from one EDC to another. Participants in the BGS-RSCP Auction will be able to switch from one EDC to another in the BGS-RSCP Auction, and participants in the BGS-CIEP Auction will be able to switch from one EDC to another in the BGS-CIEP Auction. However, participants in both Auctions will not be able to switch from an EDC in the BGS-RSCP Auction to the same or a different EDC in the BGS-CIEP Auction or vice-versa. The BGS-RSCP and BGS-CIEP Auctions run concurrently but are separate Auctions. In each Auction, prices tick down and participants reduce the number of tranches they wish to bid until the number of tranches bid equals the number of tranches needed for each EDC. Participants that hold the final bids when an Auction closes are the Auction winners.

C.1.b. BGS-RSCP Auction

In the BGS-RSCP Auction, a “**product**” is the BGS-RSCP load of a given EDC for a supply period of three years. The supply period extends from June 1, 2018 to May 31, 2021.

Bidders in the BGS-RSCP Auction bid for the right to serve full requirements tranches for an EDC at an all-in price. A tranche is a fixed percentage of an EDC’s BGS-RSCP load that represents approximately 100 MW of peak demand on an eligible basis. BGS-RSCP prices are in ¢/kWh. A BGS-RSCP Supplier is paid the auction-clearing price for each kWh of load served times a seasonal factor, a summer factor from June to September and a winter factor from October to May.

BGS-RSCP Suppliers are responsible for fulfilling all the requirements of a PJM Load Serving Entity (“LSE”) including capacity, energy, ancillary services, transmission, and any other service as may be required by PJM. A BGS-RSCP Supplier fulfills these requirements for the percentage of an EDC’s BGS-RSCP load that the supplier has won the right to serve in the Auction.

BGS-RSCP customers pay rates that are derived from the auction-clearing prices in this and in previous Auctions, adjusted for the seasonal factors. Customer rates vary by season and in some cases by time of day. Each EDC's Company Specific Addendum posted to the [bgs proceeding](#) page² of the BGS Auction website explains that EDC's rate design methodology in more detail.

C.1.c. BGS-CIEP Auction

In the BGS-CIEP Auction, a “**product**” is the BGS-CIEP load of a given EDC for a one-year supply period. The supply period starts on June 1, 2018 and ends on May 31, 2019.

A tranche is a fixed percentage of an EDC's BGS-CIEP load that represents approximately 75 MW of peak demand on an eligible basis. Participants in the BGS-CIEP Auction bid for the right to serve full-requirements tranches of an EDC at a CIEP Price. The CIEP Price is expressed in \$/MW-day.

A BGS-CIEP Supplier receives the auction-clearing price applied to its share of the BGS-CIEP capacity obligation, the “Hourly Real-Time Spot Price” which refers to the PJM load-weighted average Residual Metered Load aggregate Real-Time Locational Marginal Price for the zone for its share of BGS-CIEP load (energy), an EDC-specific PJM-network transmission rate applied to its share of the BGS-CIEP transmission obligation, and a payment rate for ancillary services (including PJM-administrative costs) applied to its share of BGS-CIEP load (energy). Each BGS-CIEP Supplier also receives the CIEP Standby Fee. All CIEP customers (namely customers who take BGS-CIEP, as well as customers served by a third party supplier who, if they were to take BGS, would do so on a CIEP tariff) pay this standby fee. This standby fee is set at 0.015¢/kWh of the energy used by CIEP customers measured at the customer meter.

BGS-CIEP customers pay rates that reflect the auction-clearing price, the Hourly Real-Time Spot Price for the zone in each hour adjusted by the EDC loss expansion factor, and rates for ancillary services and transmission. Furthermore, all CIEP customers, as mentioned above, pay the CIEP Standby Fee of 0.015¢/kWh.

The draft BGS-CIEP tariff sheets (included as part of each EDC's Company Specific Addendum) are dated December 4, 2017 and are posted to [bgs proceeding](#) page of the BGS Auction website.

² <http://bgs-auction.com/bgs.auction.regproc.asp>

C.1.d. Tranche Targets and Load Caps

For each of the BGS-RSCP and the BGS-CIEP Auctions, each EDC has a “**tranche target**”, which is the number of tranches that the EDC procures in that Auction. The Auction Manager can reduce the “**volume**” (i.e., the total number of tranches procured in the Auction across all EDCs) to ensure the competitiveness of the Auction in accordance with confidential guidelines approved by the Board. If this occurs, the bidders will be informed of the new volume, the new tranche targets, and will be given additional time to adjust their bidding strategies. Please see sub-section C.4 below for more detail on volume reductions.

A “**load cap**” is a maximum number of tranches that a bidder can bid and win. In each of the Auctions, there is a statewide load cap. Having a statewide load cap means that there is a maximum number of tranches that a bidder can bid and win for all EDCs combined. In the BGS-RSCP Auction, in addition to a statewide load cap, there are also EDC-specific load caps. This means that, in addition to having a maximum number of tranches that a bidder can bid and win for all EDCs taken together, there is also a maximum number of tranches that a bidder can bid and win for each individual EDC.

The tranche targets and load caps are provided in the table below.

Table C-1. Tranche Targets and Load Caps

Auction	EDC	Tranche Target	Statewide Load Cap	EDC-Specific Load Caps
BGS-RSCP (3-year supply period)	PSE&G	29	21	14
	JCP&L	20		9
	ACE	7		3
	RECO	1		1
BGS-CIEP (1-year supply period)	PSE&G	25	19	
	JCP&L	12		
	ACE	4		
	RECO	1		

C.1.e. Quick Comparison of the BGS-RSCP and BGS-CIEP Auctions

Table C-2. Comparison of the BGS-RSCP and the BGS-CIEP Auctions

	BGS-RSCP Auction	BGS-CIEP Auction
Supply Period	3 years	1 year
Price	All-in price in ¢/kWh	CIEP Price in \$/MW-day
Load Caps	2 types of load caps: <ul style="list-style-type: none"> ▪ A statewide load cap; and ▪ A maximum number of tranches specific to each EDC that a bidder can bid and win. 	A statewide load cap only, which is a maximum number of tranches for all EDCs taken together that a bidder can bid and win.

C.1.f. Auction Format

The auction format is called a *clock auction* because prices *tick down* throughout the Auction, starting high and being reduced gradually until the supply bid for each EDC is just sufficient to fill the tranche target.

Example 1.

There are 11 bidders in the BGS-CIEP Auction. The statewide load cap is 19 tranches. Consider the following sample round.

ROUND 1

<i>EDC</i>	<i>Price (\$/MW-day)</i>	<i># Tranches bid</i>	<i># Tranches needed</i>	<i>Excess supply</i>	<i>Oversupply ratio</i>
PSE&G	475.00	53	25	28	0.700
JCP&L	475.00	12	12	0	0.000
ACE	475.00	6	4	2	0.050
RECO	475.00	3	1	2	0.200

In round 1, all bidders combined bid 53 tranches of PSE&G at a price of \$475.00/MW-day. The number of tranches bid (53) exceeds the number of tranches needed (25) by 28 tranches. The price for PSE&G will tick down. Similarly, the price for RECO will also tick down because bidders bid 3 tranches of RECO at a price of \$475.00/MW-day, which exceeds the tranche target (1) by 2 tranches.

The amount by which the prices will tick down is determined by a statistic called the “oversupply ratio”. This statistic is the proportion of the maximum excess supply that is actually bid on an EDC. For example, for PSE&G, the oversupply ratio is 0.700 so that 70% of the maximum possible excess supply is bid on PSE&G. The higher the oversupply ratio is for an EDC, indicating a larger excess supply, the more the price ticks down.

The Auction Manager will lower the price in round 2 for PSE&G, ACE, and RECO since for these EDCs the number of tranches bid exceeds the number of tranches needed. In round 2 below, the price for PSE&G, which had the largest excess supply in round 1, fell the most. Bidders submit new bids at these prices.

ROUND 2

<i>EDC</i>	<i>Price (\$/MW-day)</i>	<i># Tranches bid</i>	<i># Tranches needed</i>	<i>Excess supply</i>	<i>Oversupply ratio</i>
PSE&G	451.25	34	25	9	0.300
JCP&L	475.00	19	12	7	0.233
ACE	460.75	12	4	8	0.267
RECO	460.75	2	1	1	0.100

Each EDC has more tranches bid than tranches needed. The Auction Manager will calculate the price reduction for each EDC from that EDC’s oversupply ratio and lower the price for each EDC accordingly.

Although we describe the main points of the bidding rules in more detail below, there are five aspects that we highlight at the outset:

- The BGS-RSCP Auction and the BGS-CIEP Auction are concurrent but separate. Bidders in the BGS-RSCP Auction can switch among EDCs in the BGS-RSCP Auction, but cannot switch from an EDC in the BGS-RSCP Auction to the same or a different EDC in the BGS-CIEP Auction. Bidders in the BGS-CIEP Auction can switch among EDCs in the BGS-CIEP Auction, but cannot switch from an EDC in the BGS-CIEP Auction to the same or a different EDC in the BGS-RSCP Auction.
- Winners for each EDC in an Auction are not determined until that Auction has closed for all EDCs. It is possible that, in any given round, the price of an EDC does not tick down because the number of tranches bid does not exceed the number of tranches needed. However, as the Auction progresses and the prices

- for the other EDCs tick down, some bidders could switch to that EDC, which could cause the price for that EDC to tick down again. Hence, until bidding stops for all EDCs, winners cannot be determined for any one EDC. There is neither matching of suppliers to customers during the course of the Auction nor the selection of winners by the Auction Manager. It is only at the end of the Auction that bidders reveal themselves to be winners by not withdrawing from the Auction.
- If a bidder has bid on an EDC and the price of that EDC does not decrease in the next round, the bidder cannot reduce the number of tranches bid for that EDC. The bidder cannot withdraw tranches from that EDC or switch from that EDC to another EDC. Every bid is a binding obligation to accept the supply responsibility at the price at which the bid was made. A price of an EDC that has not ticked down for several rounds may tick down later in the Auction as other bidders switch to that EDC because its price became higher relative to other EDCs in that Auction.
 - Bidders can never increase the total number of tranches that they bid during the Auction. If a tranche is not bid in a round, it cannot be bid later on. Once a tranche is withdrawn, it can never be bid again (even if it has been retained). Bidders can only increase the number of tranches bid on a particular EDC by switching, i.e., by simultaneously decreasing the number of tranches bid on another EDC in the same Auction.
 - The Board can decide to approve the results of the BGS-RSCP Auction, or the results of the BGS-CIEP Auction, or both. If the Board approves the results of an Auction, it approves the auction-clearing prices for all EDCs in that Auction.

C.2. Prior to the Auctions

C.2.a. Initial Eligibility

The levels of initial eligibility are determined separately for the BGS-RSCP and the BGS-CIEP Auctions. A bidder's initial eligibility for a particular Auction is the maximum number of tranches that a bidder can bid in round 1 of that Auction. Each bidder's initial eligibility is determined on the basis of the bidder's pre-auction security posted with the bidder's Part 2 Application. The total initial eligibility (across all bidders) in each Auction is provided to bidders registered for that Auction on a confidential basis.

C.2.b. Range of Starting Prices

The EDCs, in consultation with the Auction Manager and Board Staff, establish a starting price for each EDC prior to the start of the Auction. The starting prices are the prices in force for the first round of each Auction. The Auction Manager informs bidders of the starting prices three (3) business days before the Auction begins. The ranges for these starting prices are provided in the table below.

Table C-3. Minimum and Maximum Starting Prices

Auction	Range of Starting Prices
BGS-RSCP	11.5¢ – 17.0¢/kWh
BGS-CIEP	\$425 – \$550/MW-day

C.3. Bidding in the Auctions

C.3.a. Schedule

The BGS-CIEP Auction starts first. On Friday, February 2, 2018 only bidders in the BGS-CIEP Auction submit bids. Both Auctions run concurrently starting on the second business day, Monday, February 5, 2018.

A typical bidding day will have 10 hours, with rounds in the morning, a lunch break, and rounds in the afternoon. Each round has a bidding phase, a calculating phase, and a reporting phase. In round 1 of each Auction, there will be a 15-minute automatic extension to the bidding phase as described in the next section. Round times may be as short as five minutes. When both Auctions are in progress, more rounds will be run for the BGS-CIEP Auction each bidding day. As much as practicable, the overlap in bidding phases is minimized for the convenience of bidders participating in both Auctions.

The Auction Manager may need to change the Auction schedule to resolve technical problems, to ensure that bidders have sufficient time to evaluate results, or to undertake additional bid analysis as the Auctions progress. Please see the tables below for the schedules that are expected to be used for the first and second bidding days.

Table C-4. Expected Schedule for February 2: Day 1 of Bidding in the BGS-CIEP Auction

Times	BGS-CIEP	Times	BGS-CIEP	Times	BGS-CIEP	Times	BGS-CIEP		
8:00	Log in Time	11:15	Round 7 Calculation and Report	1:47	Round 13 Bidding	4:15	Round 19 Calculation and Report		
8:05				1:50				4:17	
8:10				1:53				4:20	
8:15				1:55	Round 13 Calculation and Report	4:23			
8:20				1:57				4:25	
8:25	Round 1 Bidding	11:28		4:27					
8:30			11:30	Round 14 Bidding		4:30	Round 20 Bidding		
8:35		11:32			4:33				
8:40	Automatic 15-Minute Extension	11:35	Round 8 Calculation and Report	2:07		4:35			
8:45				11:38		2:10	Round 20 Calculation and Report		
8:50		11:40			2:13				
8:55	Round 1 Calculation and Report	11:42		2:15	Round 14 Calculation and Report	4:40			
9:00			11:45			2:17			
9:05		11:48		2:20			4:43		
9:10	Round 2 Bidding	11:50	Round 9 Bidding	2:23			4:45		
9:15				11:52		2:25		4:47	
9:20	Round 2 Calculation and Report	11:55	Round 9 Calculation and Report	2:27		4:50	Round 21 Bidding		
9:25				11:58		2:30		Round 15 Bidding	4:53
9:30		12:00			2:33		4:55		
9:35	Round 3 Bidding	12:02		2:35	Round 15 Calculation and Report	5:00	Round 21 Calculation and Report		
9:40			12:05			2:37			5:03
9:45	Round 3 Calculation and Report	12:08		2:40				5:05	
9:50			12:10	Lunch		2:43			5:07
9:55		12:15			2:45		5:10		
10:00	Round 4 Bidding	12:20			2:47		5:13		
10:02			12:25			2:50	Round 16 Bidding	5:15	Round 22 Bidding
10:05		12:30			2:53			5:17	
10:08	Round 4 Calculation and Report	12:35	Round 10 Bidding	2:55	Round 16 Calculation and Report	5:20			
10:10				12:37			5:23	Round 22 Calculation and Report	
10:12				12:40			5:25		
10:15			12:43			5:27			
10:18			12:45		5:30				
10:20		12:47	Round 10 Calculation and Report	5:33					
10:23	Round 5 Bidding	12:50			5:35				
10:25			12:53		5:38	Round 23 Bidding			
10:28			12:55		5:40				
10:30	Round 5 Calculation and Report	12:57		5:43					
10:32			1:00	Round 17 Bidding	5:45	Round 23 Calculation and Report			
10:35			1:02				5:47		
10:38			1:05	Round 11 Bidding	5:50				
10:40			1:07				5:53		
10:42		1:10	Round 11 Calculation and Report	3:33	Round 17 Calculation and Report				
10:45	Round 6 Bidding	1:13				3:35			
10:48				1:15			3:37		
10:50		1:17		3:40					
10:53	Round 6 Calculation and Report	1:20		3:43					
10:55			1:23	Round 18 Bidding	3:45				
10:58			1:25			3:47			
11:00			1:27	Round 12 Bidding	3:50	Round 18 Calculation and Report			
11:02			1:30				3:53		
11:05		1:32		3:55					
11:08	Round 7 Bidding	1:35	Round 12 Calculation and Report	3:57					
11:10				1:37		4:00			
11:12				1:40		4:02			
				1:43		4:05			
		1:45			4:08	Round 19 Bidding			
				4:10					
				4:13					

Table C-5. Expected Schedule for February 5: Concurrent Bidding in the BGS-RSCP and BGS-CIEP Auctions

Times	BGS-CIEP	BGS-RSCP	Times	Times	BGS-CIEP	BGS-RSCP	Times		
8:25	Round 25 Bidding	Log in Time	8:25	10:53	Round 31 Bidding	Round 4 Calculation and Report	10:53		
8:27			8:27	10:55			10:55		
8:30			8:30	10:58			10:58		
8:33			8:33	11:00	11:00				
8:35			8:35	11:03	11:03				
8:37			8:37	11:05	11:05				
8:40	Round 25 Calculation and Report		8:40	11:08	11:08				
8:43			8:43	11:10	11:10				
8:45			8:45	11:13	11:13				
8:48			8:48	11:15	11:15				
8:50	Round 26 Bidding	8:50	11:17	Round 5 Bidding	11:17	11:17			
8:53		8:53	11:20		11:20				
8:55		8:55	11:23		11:23				
8:57	Round 26 Calculation and Report	Round 1 Bidding	8:57	Round 32 Calculation and Report	Round 5 Calculation and Report	11:25	11:25		
9:00			9:00			11:27	11:27		
9:03			9:03			11:30	11:30		
9:05			9:05			11:33	11:33		
9:07			9:07			11:35	11:35		
9:10		Automatic 15-Minute Extension	9:10	11:37		Round 6 Bidding	11:37	11:37	
9:13			9:13	11:40			11:40		
9:15			9:15	11:43			11:43		
9:17			9:17	11:45			11:45		
9:20			9:20	11:47			11:47		
9:23	Round 27 Bidding	9:23	11:50	11:50	11:50				
9:25		Round 1 Calculation and Report	9:25	Round 34 Bidding	11:52	11:52			
9:27			9:27		11:55	11:55			
9:30	9:30		11:57		11:57				
9:33	9:33		12:00	12:00					
9:35	Round 27 Calculation and Report	Round 2 Bidding	9:35	Round 34 Calculation and Report	Round 6 Calculation and Report	12:03	12:03		
9:37			9:37			12:05	12:05		
9:40			9:40			12:07	12:07		
9:43		9:43	12:10			12:10			
9:45		9:45	12:13			12:13			
9:47		Round 28 Bidding	Round 2 Calculation and Report			9:47	Round 35 Bidding	Lunch	12:15
9:50	9:50			12:17	12:17				
9:53	9:53			12:20	12:20				
9:55	Round 28 Calculation and Report			9:55	Round 35 Calculation and Report	12:23			12:23
9:57				9:57		12:25			12:25
10:00		10:00		12:28		12:28			
10:03		10:03		12:30		12:30			
10:05	Round 29 Bidding	10:05		Lunch	Lunch	12:33	12:33		
10:07		10:07				12:35	12:35		
10:10		10:10				12:37	12:37		
10:13		10:13	12:40			12:40			
10:15		Round 29 Calculation and Report	10:15			12:43	12:43		
10:17			Round 3 Bidding			10:17	12:45	12:45	
10:20						10:20	12:47	12:47	
10:23		10:23				12:50	12:50		
10:25	Round 30 Bidding	10:25	Round 36 Bidding	Round 7 Bidding	12:53	12:53			
10:27		10:27			12:55	12:55			
10:30		10:30			12:57	12:57			
10:33		10:33			1:00	1:00			
10:35		10:35			1:03	1:03			
10:38		Round 30 Calculation and Report			10:38	Round 36 Calculation and Report	1:05	1:05	
10:40	10:40		1:07	1:07					
10:43	Round 3 Calculation and Report		10:43	Round 4 Bidding	10:45		10:45		
10:45			10:45		10:48		10:48		
10:48			10:48		10:50		10:50		
10:50	10:50		10:50						

Times	BGS-CIEP	BGS-RSCP	Times
1:10		Round 7 Calculation and Report	1:10
1:13			1:13
1:15	Round 37 Bidding		1:15
1:17			1:17
1:20			1:20
1:23	Round 37 Calculation and Report		1:23
1:25		1:25	
1:27		1:27	
1:30		1:30	
1:33		Round 8 Bidding	1:33
1:35	1:35		
1:38	Round 38 Bidding	1:38	
1:40		1:40	
1:43	Round 8 Calculation and Report	1:43	
1:45		1:45	
1:47		1:47	
1:50		1:50	
1:53		1:53	
1:55		1:55	
1:57	Round 39 Bidding	1:57	
2:00		2:00	
2:03	Round 39 Calculation and Report	2:03	
2:05		2:05	
2:07		2:07	
2:10		2:10	
2:13		2:13	
2:15	Round 40 Calculation and Report	2:15	
2:17		2:17	
2:20		2:20	
2:23		2:23	
2:25		Round 9 Bidding	2:25
2:27	2:27		
2:30	2:30		
2:33	2:33		
2:35	Round 9 Calculation and Report	2:35	
2:38		2:38	
2:40		2:40	
2:43		2:43	
2:45		Round 10 Bidding	2:45
2:47	2:47		
2:50	2:50		
2:53	2:53		
2:55	2:55		
2:57	Round 41 Calculation and Report	2:57	
3:00		3:00	
3:03		3:03	
3:05		3:05	
3:07		3:07	
3:10	Break	3:10	
3:13		3:13	
3:15		3:15	
3:17	Round 42 Bidding	3:17	
3:20		3:20	
3:23	Round 11 Bidding	3:23	
3:25		3:25	
3:27		3:27	
3:30		3:30	
3:33		3:33	
3:35	Round 42 Calculation and Report	3:35	
3:37		3:37	
3:40		3:40	
3:40		3:40	
3:40	Round 43 Bidding	3:40	
3:40		3:40	
3:40		Round 11 Calculation and Report	3:40
3:40			3:40

Times	BGS-CIEP	BGS-RSCP	Times	
3:43	Round 43 Calculation and Report		3:43	
3:45			3:45	
3:47			3:47	
3:50			Round 12 Bidding	3:50
3:53				3:53
3:55	3:55			
3:58	Round 44 Bidding	3:58		
4:00		4:00		
4:03		4:03		
4:05	Round 44 Calculation and Report	Round 12 Calculation and Report	4:05	
4:07			4:07	
4:10			4:10	
4:13			4:13	
4:15			4:15	
4:17	Round 45 Bidding	4:17		
4:20	Round 45 Calculation and Report	Round 13 Bidding	4:20	
4:23			4:23	
4:25			4:25	
4:27			4:27	
4:30			4:30	
4:33	Round 46 Bidding	Round 13 Calculation and Report	4:33	
4:35			4:35	
4:37			4:37	
4:40			4:40	
4:43			4:43	
4:45	Round 46 Calculation and Report	Round 14 Bidding	4:45	
4:47			4:47	
4:50			4:50	
4:53			4:53	
4:55			4:55	
4:58	Round 47 Bidding	Round 14 Calculation and Report	4:58	
5:00			5:00	
5:03	Round 47 Calculation and Report	Round 15 Bidding	5:03	
5:05			5:05	
5:07			5:07	
5:10			5:10	
5:13			5:13	
5:15	Round 48 Bidding	Round 15 Calculation and Report	5:15	
5:17			5:17	
5:20			5:20	
5:23			5:23	
5:25			5:25	
5:27	Round 48 Calculation and Report		5:27	
5:30			5:30	
5:33			5:33	
5:35			5:35	
5:38			5:38	
5:40	Round 49 Bidding		5:40	
5:43			5:43	
5:45			5:45	
5:48			5:48	
5:50			5:50	
5:53	Round 49 Calculation and Report		5:53	
5:55			5:55	
5:57			5:57	
6:00			6:00	
6:05			6:05	
6:10			6:10	
6:13			6:13	

C.3.b. The Bidding Phase

During the bidding phase, bidders enter the number of tranches of each EDC that they wish to bid at the announced prices. Bidders can revise their bid as many times as they wish while the bidding phase is still open. The last bid submitted and verified by the bidder in the bidding phase, and processed by the Auction Software is the bid that counts. This bid becomes a firm offer to supply that cannot be rescinded.

“**Extensions**” are 15-minute pauses that bidders can request in the bidding phase. The bidding phase in round 1 is automatically extended for the convenience of bidders. If a bidder requests an extension in round 1, it will run concurrently with the automatic extension.

C.3.c. The Calculating Phase and the Reporting Phase

The calculating phase for a round begins immediately following the bidding phase. During the calculating phase, the total number of tranches bid for each EDC is determined. On that basis, the prices for the next round are calculated. If an EDC has fewer tranches bid at the “**going price**” (i.e., the price announced by the Auction Manager) than its tranche target, or the same number bid as its tranche target, the price is not reduced. If an EDC has more tranches bid at the going price than the tranche target, its price is reduced.

Price reductions are generally between 0.5% and 5% per round at the start of the Auction (this is called “**regime 1**”). As total excess supply decreases and reaches a pre-specified threshold, price reductions are generally between 0.375% and 3.75% (this is called “**regime 2**”). Toward the end of the Auction price reductions are between 0.25% and 2.5% (this is called “**regime 3**”). The final formulas for the calculation of the price reductions become available on January 23, 2018 and will be posted to [auction rules](#) page of the BGS Auction website.

After all calculations are made and verified, the Auction Manager provides information to bidders. Information that relates to the general progress of the Auction includes:

- The price for each EDC for the next bidding phase; and
- A range of the total excess supply left in the Auction.

This information is in the “**Common Report**” available through the Auction Software.

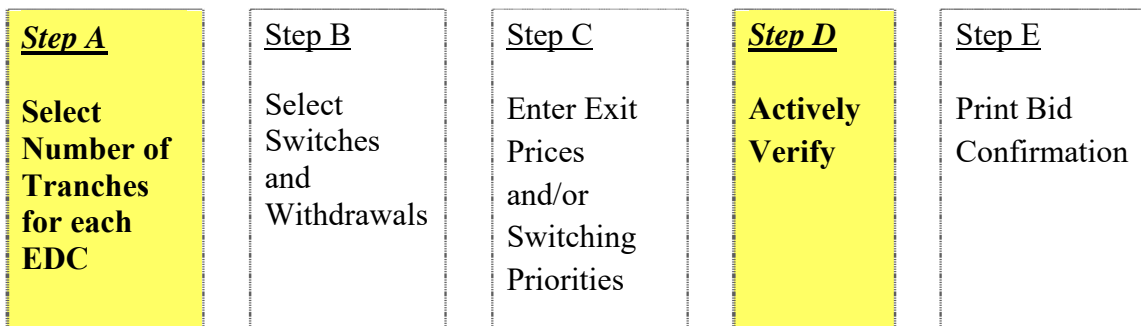
In addition, the Auction Manager provides to each bidder privately information that is specific to the bidder's own bid (a bidder has no information specific to any other bidder's bid). This information includes:

- The number of tranches of each EDC that the bidder is committed to supply at that point of the Auction, which is available in the “**Round Report**”;
- The bidder's eligibility; and
- The number of recesses and extensions that the bidder still has available.

“**Recesses**” are pauses of no less than 20 minutes that bidders can request in the calculating or reporting phase, but only toward the end of the Auction (i.e., after round 10 and after total excess supply falls below 40 tranches in the BGS-RSCP Auction and below 20 tranches in the BGS-CIEP Auction).

C.3.d. Entering Bids

The Quick Bid Submission Guide in Section C of this January Bidder Information Packet provides an illustration of how to enter bids through the Auction Software. A step-by-step guide to bidding is available in the Auction Software Manual, Section E. A general description of the bid entry process is provided here. To enter a bid, bidders are required to go through a series of steps:



To place a bid, bidders must always complete Step A and Step D, which are highlighted above. All bidders are encouraged to systematically complete Step E to have a record of their bid. In specific situations, bidders will also need to complete one or both of Steps B and C. The steps necessary to submit a bid also vary by round and are described in more detail below.

C.3.e. Bidding: Round 1

The Auction Manager releases starting prices for each Auction to bidders prior to the start of the Auction (Tuesday, January 30, 2018 for the BGS-CIEP Auction and Wednesday, January 31, 2018 for the BGS-RSCP Auction). These starting prices will be the going prices in round 1 of the Auction.

During the bidding phase of round 1, bidders select the number of tranches they wish to bid for each EDC at these prices (Step A). Any bid submitted in round 1 must satisfy the requirement that the total number of tranches bid does not exceed the bidder's initial eligibility determined by the bidder's indicative offer at the maximum starting price. (Automatically, the total number of tranches bid will not exceed the statewide load cap since each bidder will be assigned initial eligibility under or at the statewide load cap). For the BGS-RSCP Auction, the number of tranches bid on any one EDC cannot exceed the load cap for that EDC.

The bidder must verify its bid (Step D) before it is processed by the Auction Software. The bid must be submitted and verified by the bidder in the bidding phase, and processed by the Auction Software.

The number of tranches bid in round 1 is the bidder's eligibility in round 2. This will be the maximum number of tranches the bidder can bid in round 2.

C.3.f. Calculating and Reporting: Round 1

After the close of the bidding phase in round 1, results are calculated, and once the reporting phase begins, bidders can view the results and prepare their bids for round 2. The Auction Manager can cut back the volume in the BGS-RSCP and/or BGS-CIEP Auction to ensure a competitive bidding environment. If this occurs, the bidders will be informed of the new tranche targets for each EDC and will be given additional time to prepare their round 2 bids.

The Auction Manager provides to all bidders (in the Common Report through the Auction Software):

- The price for each EDC for round 2; and
- A range for the total excess supply in the Auction at the end of round 1.

If an EDC has more tranches bid at the going price than the tranche target, its price ticks down (i.e., the price is reduced) for the next round.

Each bidder also receives a private report of its own bid (in the Round Report through the Auction Software). The bidder is told the number of tranches it has bid on each EDC.

C.3.g. Bidding: Round 2

During the bidding phase of round 2, bidders select the number of tranches they wish to bid on each EDC at the round 2 prices (Step A).

Bidders cannot exceed their eligibility. A bidder's eligibility in round 2 is the total number of tranches that the bidder bid in round 1. In general, a bidder's "**eligibility**" for a round is the eligibility in the previous round minus the number of tranches that the bidder has withdrawn in the previous round. Withdrawn tranches do not count toward eligibility even if they are retained, as explained below. The Auction Software does not allow a bidder to complete Step A if the bidder selects a total number of tranches that exceeds the bidder's eligibility. Bidders in the BGS-RSCP Auction must also bid to stay within the load cap for each EDC.

Example 2.

In round 2 of the BGS-RSCP Auction, ABC EnergyCorp has an eligibility of 7 tranches, i.e., ABC EnergyCorp can bid up to (but no more than) 7 tranches in total. The prices for all EDCs are reduced in round 3. ABC EnergyCorp places a bid of 4 tranches of PSE&G and 2 tranches of JCP&L, for a total of 6 tranches bid in round 2. ABC EnergyCorp has reduced its eligibility and can bid a maximum of 6 tranches in total in round 3.

A bidder always has the option not to change its bid. As prices change, however, a bidder may also be able to do one or more of the following:

- Bid on fewer tranches in total; and
- Switch tranches, by reducing the number of tranches bid on some EDCs and increasing the number of tranches bid on others.

Specific Rules to Follow When Withdrawing Tranches

A bidder can bid on fewer tranches for an EDC only if the EDC's price has ticked down from the previous round. If instead the price has not ticked down, then the bidder cannot reduce the number of tranches bid for that EDC (however, the bidder may be able to increase the number of tranches bid for the EDC). The price does not tick down if the number of tranches bid in a round is equal to or less than the tranche target.

Example 3.

Suppose the price in round 1 of the BGS-CIEP Auction is \$475/MW-day for ACE and ABC EnergyCorp bids 3 tranches on that EDC. If in round 2 the ACE price is still \$475/MW-day, then ABC EnergyCorp cannot reduce the number of tranches bid on ACE and must bid at least 3 tranches on ACE.

When reducing its total number of tranches and withdrawing tranches from a particular EDC, the bidder is required to enter a last and best price for tranches that are withdrawn from that EDC. This last and best price is called an “**exit price**”. The exit price must be greater than the going price in the current round and less than or equal to the previous going price. All tranches that a bidder withdraws from a given EDC in a given round must have the same exit price.

The bidder’s eligibility for the next round will be reduced by the number of tranches that the bidder withdraws.

Specific Rules to Follow When Switching Tranches

“**Switching**” means decreasing the number of tranches bid on one or more EDCs, increasing the number of tranches bid on one or more EDCs, and leaving the total number of tranches bid the same. The rule that a bidder must follow for switching is similar to the rule for withdrawing tranches. A bidder can reduce the number of tranches bid on an EDC in round 2 through a switch only if that EDC’s price has ticked down from round 1. If the tranche target for an EDC is not filled or is just filled, the price for the EDC will not be reduced and the bidder will not be able to switch tranches by reducing the number of tranches bid on that EDC.

When switching and increasing the number of tranches bid on more than one EDC, the bidder must specify “**switching priorities**”. A switching priority is a preference among the EDCs for which the bidder is increasing the number of tranches bid. This switching priority is used when some, but not all, of the reductions in the tranches bid from a switch must be denied to fill an EDC’s tranche target. Switches are first allowed into the EDC to which the bidder has assigned the highest priority (1 is the highest priority). A bidder must assign the same priority to all tranches from a given EDC.

When Steps B and C May Be Required

The table below summarizes when a bidder may be asked for information in addition to a number of tranches for each EDC. In those situations a bidder would be required to proceed through Steps B and/or C.

Table C-6. Additional Information That May Be Required

Additional Information Required	Bidder will be asked when:	Step Required
Switching priorities	<ul style="list-style-type: none"> ▪ Switching tranches; and ▪ Increasing the number of tranches bid on more than one EDC. 	Step C
Exit price	<ul style="list-style-type: none"> ▪ Withdrawing tranches from an EDC. 	Step C
Selection of switches and withdrawals	<ul style="list-style-type: none"> ▪ Withdrawing tranches from the Auction; ▪ Switching tranches; and ▪ Reducing the number of tranches bid on two or more EDCs. 	Step B Step C

Default Bid When a Bidder Does Not Place a Bid

A bidder with positive eligibility must submit a bid in every round. This is true even when the bidder does not change its bid from the previous round and even when the bidder is bidding only on EDCs for which prices have not ticked down.

If a bidder with positive eligibility does not place a bid before the calculating phase, the bidder is assigned a default bid. The Auction Software generates a default bid in which any tranche that can be withdrawn (because the price for the EDC has ticked down) is withdrawn. The exit price assigned to each withdrawn tranche is the previous going price. A tranche withdrawn through a default bid can only be retained once all tranches from bidders that actively withdraw tranches have been retained first. If a tranche cannot be withdrawn because the price for the EDC has not ticked down, then the tranche is bid by the system. In breaking any ties, default bids will be disadvantaged compared to bids actually submitted by bidders. The default bid is described precisely in the section “Failure to Submit a Bid” in the Auction Rules.

If the prices of all the EDCs on which a bidder previously bid tranches tick down, then the default bid is zero tranches on all EDCs. Any tranche that had previously been bid is withdrawn. The bidder will be assigned an eligibility of zero in the next round and the bidder will lose the ability to bid in all subsequent rounds.

C.3.h. Calculating and Reporting: Round 2

The Auction Manager provides to all bidders in the Common Report:

- The price for each EDC for round 3; and
- A range for the total excess supply in the Auction at the end of round 2.

In addition, each bidder receives a private report regarding the results of the bidder's own bid (in the Round Report). As explained below, the bidder may learn that some of the tranches that the bidder intended to withdraw have been retained, or that some of the tranches that the bidder intended to switch have been denied. This occurs when the Auction Manager must retain withdrawals and possibly deny switches in order to continue filling the tranche target for an EDC.

Withdrawn Tranches Can Be Retained

There may be times when a bidder requests to withdraw a tranche but that tranche is retained. This occurs when the price ticked down and bidders reduced the number of tranches bid on that EDC to the point where the EDC has fewer tranches bid than the tranche target. The Auction Manager retains as many of the requested withdrawals as necessary to fill the tranche target. Tranches are retained in the following order:

1. Tranches with lower exit prices are retained first.
2. If several bidders are tied at a given exit price, the Auction Manager selects at random each withdrawn tranche that will be retained.
3. At the highest exit price, tranches from bidders that actively submitted a bid (as opposed to bidders that were assigned a default bid by the system because they failed to submit a bid) are retained first.

If a bidder requested to withdraw multiple tranches, some or all of these could be retained. The bidder's eligibility in the next round will be reduced by the total number of withdrawals requested regardless of whether any of the withdrawn tranches are retained. For example, if a bidder requests to withdraw two tranches, and one tranche is retained to fill the tranche target of an EDC, the bidder's eligibility in the next round will still be reduced by two tranches, which is the total number of withdrawals requested.

The private report that the Auction Manager provides to each bidder includes whether requested withdrawals are granted or whether one or more of the tranches that the bidder wanted to withdraw will be retained. If withdrawn tranches are retained for an EDC, the bidder is informed of the number of tranches that are retained and the exit price at which the withdrawn tranches are retained.

Switches Can Be Denied

There may be times when a bidder requests a switch but the switch is denied. This occurs when the price ticked down in the previous round and the tranche target is still not filled even if all withdrawals are retained. In that case, the Auction Manager retains all requested withdrawals and the Auction Manager denies just enough switches to fill the tranche target. When several bidders reduce the number of tranches bid on an EDC

through a switch and not all switches must be denied, the Auction Manager selects at random each tranche for which the request to switch will be denied.

Example 4.

In the BGS-RSCP Auction, the tranche target for ACE is 7 tranches. There are 3 bidders, ABC EnergyCorp, LMN Trading, and XYZ GenCo, bidding for ACE in round 1 and round 2. In round 1, all three bidders bid 3 tranches on ACE, for a total of 9 tranches bid. In round 2, the price for ACE ticks down, and ABC EnergyCorp switches two tranches from ACE to PSE&G, XYZ GenCo switches one tranche from ACE to JCP&L, while LMN Trading maintains its bid of 3 tranches on ACE. If all switches are allowed, the number of tranches bid at the going price (6) will not be sufficient to fill the tranche target (7). One of the switches must be denied. XYZ GenCo's switch is denied at random. ACE's tranche target is filled with 7 tranches bid at the going price (1 tranche by ABC EnergyCorp, 3 tranches by LMN Trading and 2 tranches by XYZ GenCo) as well as one denied switch from XYZ GenCo (denied at the round 1 price, the last price at which the tranche was freely bid).

The Auction Manager privately reports to each bidder whether any requested switches are denied. If any switches are denied, the bidder is informed of the number of tranches that are denied. The Auction Manager also reports the price at which the switch is denied, which is the last price at which those tranches were freely bid.

C.3.i. Bidding: Round 3 and Beyond

Bidding in round 3 and all future rounds proceeds according to the same rules as for round 2. We note here two additional rules.

Free Eligibility

Bidders may start a round with free eligibility. “Free eligibility” is eligibility that is not assigned to a particular EDC and that can be bid on any EDC. Free eligibility occurs in two ways:

- If a denied switch is “outbid” then the bidder has free eligibility for the number of tranches that were outbid. This occurs when a bidder was denied a switch from an EDC in a previous round, other bidders bid new tranches on that EDC in the current round, and a newly bid tranche at the going price replaces the denied switch in filling the tranche target. The denied switch is then outbid: the tranche is released and becomes free eligibility.
- If there is a volume reduction, it is possible that the new tranche target for an EDC will be below the number of tranches that a bidder bid on that EDC in the

previous round. In that case, the bidder will receive tranches of free eligibility equal to the difference between the number of tranches the bidder had bid and the new tranche target.

If the bidder does not bid free eligibility right away (i.e., in the bidding phase immediately following the report of free eligibility), the tranches will be withdrawn. Tranches of free eligibility are not associated with any particular EDC and so no exit price is required when these tranches are withdrawn.

A bidder with free eligibility may be required to provide additional information (i.e., to complete Step B and/or Step C) in specific circumstances that are not described in Table C-6 or in the description of the Steps A through E.

An Additional Switching Rule

There is one important additional bidding rule that comes into play when a bidder has tranches from a denied switch. If the bidder, while having tranches from a denied switch on an EDC at the *previous price*, bids new tranches for this same EDC at the *going price*, *the bidder is deemed to have bid all its tranches at the going price* – including any previously denied switches. That is, tranches from the denied switch *become* tranches bid at the going price.

C.3.j. Calculating and Reporting: Round 3 and Beyond

In round 3 and in subsequent rounds, the Auction Manager may report privately additional information to each bidder.

The Auction Manager reports whether a switch that had been denied is subsequently outbid and has become free eligibility. The bidder may bid this tranche on any EDC but must do so in the next round of the Auction or the bidder loses the eligibility associated with the tranche.

Example 5.

In round 3 of the BGS-CIEP Auction, ABC EnergyCorp wants to switch one tranche by reducing the number of tranches bid on ACE and increasing the number of tranches bid on JCP&L. Suppose that the switch must be denied to fill the ACE tranche target. In round 4, other bidders switch into ACE and the denied switch for ABC EnergyCorp is outbid. The Auction Manager reports to ABC EnergyCorp in round 4 that it has 1 tranche of free eligibility. In round 5, ABC EnergyCorp must bid that tranche of free eligibility or the eligibility will be lost.

The Auction Manager informs each bidder whether a previously retained withdrawal is released and thereby irrevocably removed from the Auction. New tranches bid at the going price first replace denied switches in filling the tranche target and then replace retained withdrawals, starting with the withdrawals at the highest exit price.

C.4. Volume Reduction

The Auction Manager may pause an Auction in the calculating phase of round 1 if it is necessary to consider whether to cut back the volume to ensure the competitiveness of the Auction. If the volume is cut back, the tranche targets of the individual EDCs will be reduced. The load caps may be adjusted. The adjusted volume and tranche targets (and load caps if applicable) would be provided to bidders in the reporting phase of round 1. The volume may be further revised on the basis of the bids as the Auction progresses, in accordance with confidential guidelines approved by the Board. The distribution of revised tranche targets for each EDC due to a volume reduction is available to bidders on the [auction rules](#) page of the BGS Auction website under the heading “Distribution of Volume Reduction (December 8, 2017)”.

C.5. End of the Auction

After a bidder can no longer win any tranches in an Auction, its Login ID and password will be disabled and the bidder will no longer have access to results for that Auction.

The BGS-RSCP and BGS-CIEP Auctions may end at different times. An Auction ends when bidding stops on all EDCs and no further bidding is possible on any EDC. At the final Auction prices, the tranche target for each EDC is just filled and the total excess supply in the Auction is zero. Bidders that win tranches for an EDC are those that bid at the last round price and, if necessary, those that had withdrawals that were retained or switches that were denied to fill the tranche target. All bidders that win tranches for an EDC receive the same price for their tranches.

If the tranche target for an EDC is filled with tranches bid at the going price, then the winners are the bidders that bid on that EDC in the last round. The final price for the EDC for all winners is the going price in the final round.

If the tranche target for an EDC is filled with tranches bid at the going price and retained withdrawals, then the winners are the bidders that bid on that EDC at the going price in the final round (if any) and the bidders with withdrawn tranches from that EDC that were retained. The final price for the EDC for all winners is the last accepted exit price.

If the tranche target for an EDC is filled with tranches bid at the going price, denied switches, and possibly retained withdrawals, then the winners are the bidders that bid on that EDC at the going price in the final round (if any), the bidders that withdrew tranches from that EDC in the final round (if any) that were retained, and the bidders with switches from that EDC that were denied. The final price is the last price at which the denied switches were freely bid.

C.6. Description of Terms

These descriptions are provided for bidder convenience only. All terms below have the meaning ascribed to them in the BGS-RSCP Auction Rules and the BGS-CIEP Auction Rules and bidders must refer to the Auction Rules for specific information. Descriptions of terms provided below are at times simplified for this Bidder Guide. The BGS-RSCP Auction Rules and the BGS-CIEP Auction Rules are the official documents that control the conduct of the BGS Auctions.

BGS

Basic Generation Service is the electric supply for those retail customers who are not served by a third party supplier.

Bid

A bid consists of four numbers: a number of PSE&G tranches, a number of JCP&L tranches, a number of ACE tranches, and a number of RECO tranches. A bid represents the number of tranches that a bidder is willing to serve for each EDC at the going prices. In all rounds except the first, to fully specify a bid, a bidder may be asked for information in addition to the number of tranches bid for each EDC, such as switching priorities and exit prices. The last bid submitted and verified by the bidder in the bidding phase, and processed by the Auction Software is the bid that counts.

Bidding Phase

The bidding phase is the first phase of a round, during which bidders submit bids. Bidders can revise their bid as many times as they wish while the bidding phase is still open.

Calculating Phase

The calculating phase is the second phase of the round, during which the Auction Manager tabulates the results of that round's bidding phase and calculates the prices for the next round.

CIEP Standby Fee

The CIEP Standby Fee is set at 0.015¢/kWh and is collected from all CIEP customers (whether or not on BGS) and paid to winning suppliers.

Default Bid

If a bidder does not place a bid before the calculating phase, the bidder is automatically assigned a default bid. In a default bid, any tranche that can be withdrawn is withdrawn at the highest possible exit price for the round. In breaking any ties, default bids are disadvantageded compared to bids actively submitted by bidders.

Denied Switches

The Auction Manager denies a switch when the tranches bid at the going price for an EDC and the withdrawn tranches for that EDC that can be retained are not sufficient to fill that EDC's tranche target. Denied switches are retained at the last price at which they were freely bid.

Eligibility and Initial Eligibility

A bidder's initial eligibility for a particular Auction is the maximum number of tranches that a bidder can bid in round 1 of that Auction. Each bidder's initial eligibility is determined on the basis of the bidder's pre-auction security posted with the bidder's Part 2 Application.

A bidder's eligibility in a round is the bidder's eligibility at the start of the previous round minus the number of tranches that the bidder withdrew in the bidding phase of the previous round (whether or not the Auction Manager retains these withdrawn tranches).

End of Auction

The BGS-RSCP and BGS-CIEP Auctions may end at different times. An Auction ends when bidding stops on all EDCs and no further bidding is possible on any EDC. At the final Auction prices, the tranche target for each EDC is just filled and the total excess supply in the Auction is zero.

Exit Price

When withdrawing tranches from a particular EDC, the bidder must specify an exit price, which is a last and best offer. The exit price must be greater than the going price in the current round and less than or equal to the previous going price. No exit price is named when withdrawing tranches of free eligibility.

Free Eligibility

Free eligibility is eligibility that is not assigned to a particular EDC. Free eligibility occurs when a denied switch is outbid or as a result of a volume reduction.

Full Requirements Service

Full requirements service means that the supplier is responsible for fulfilling all the requirements of a PJM Load Serving Entity (“LSE”) including energy, capacity, ancillary services, transmission, and any other service as may be required by PJM.

Going Price

The going price for an EDC is the price at which the Auction Manager is soliciting bids in a round.

Load Cap

The BGS-RSCP and the BGS-CIEP Auctions each have a statewide load cap. A statewide load cap is a maximum number of tranches that a bidder can bid and win for all EDCs combined. In addition, the BGS-RSCP Auction has EDC-specific load caps. An EDC-specific load cap is the maximum number of tranches that a single bidder can bid and win for an individual EDC in the BGS-RSCP Auction.

Outbid (denied switch)

A denied switch that is replaced in filling the tranche target by a new tranche at the going price is said to be outbid.

Regime

A regime is a range of price reductions. Each Auction starts in regime 1. In regime 1, the price reductions are between 0.5% and 5% per round. In regime 2, the price reductions are between 0.375% and 3.75% per round. The price reductions are between 0.25% and 2.5% in regime 3.

Reporting Phase

The reporting phase is the third and final phase of a round, during which the Auction Manager informs the bidders of the results of that round’s bidding phase.

Round

The Auction runs in discrete time periods called rounds. Each round has a bidding phase, a calculating phase, and a reporting phase.

RSCP Customers

Customers who do not take BGS on a CIEP tariff or rate.

Starting Prices

These are the going prices in round 1.

Switches and Switching

Switching involves an increase in the number of tranches bid on some EDCs and a reduction in the number of tranches bid on other EDCs while the total number of tranches bid remains the same.

Switching Priority

A switching priority is a preference assigned to one of the EDCs for which a bidder is increasing its number of tranches bid. The bidder is required to assign a switching priority when the bidder is increasing the number of tranches bid on more than one EDC.

Tranche

A tranche in the BGS-RSCP Auction is a fixed percentage share of the BGS-RSCP load of an EDC for the period June 1, 2018 to May 31, 2021. A tranche in the BGS-CIEP Auction is a fixed percentage share of the BGS-CIEP load of an EDC for the period June 1, 2018 to May 31, 2019.

Tranche Target

The tranche target is the number of tranches that an EDC procures through an Auction.

Volume

The volume is the total number of tranches procured across all EDCs in an Auction. The Auction Manager, in accordance with confidential guidelines approved by the Board, may cut back the volume to ensure the competitiveness of the bidding environment.

Withdrawing Tranches

A bidder withdraws tranches when the bidder reduces the number of tranches bid in total. A bidder that does not bid a tranche of free eligibility in the round when it becomes available is making a withdrawal.

D. AUCTION SOFTWARE MANUAL

The disclaimer provided as Section A of this January Bidder Information Packet applies to all sections, including this section. Bidders bear full responsibility for reviewing all governing documents and for complying with any additional instructions from the Auction Manager during the Auction Process.

This manual contains sample screenshots for illustrative purposes. Wording for warnings and messages, headings, product names, current phase requests, and price levels during an Auction may differ from what is displayed in this manual. This manual does not display all possible circumstances that a bidder may encounter using the Auction Software. Further, please note that all of the sample screenshots are for the BGS-RSCP Auction.

D.1. Introduction

Bids in the Auctions are submitted online through the Auction Software *SimulCommerce™*. *SimulCommerce™* is part of a proprietary system developed by Optimal Auctions, Inc. and has been modified to meet the requirements of the BGS-RSCP and the BGS-CIEP Auction Rules.

This manual explains how to use the Auction Software to submit bids and view Auction results for the BGS-RSCP Auction and the BGS-CIEP Auction. In the event that a bidder encounters technical difficulties using the Auction Software, the bidder should contact the Auction Manager at (973) 297-0880. Section F of this January Bidder Information Packet explains the backup bidding procedure that may be used in case of technical difficulties to submit a bid by phone. The Trial Auctions provide all bidders an opportunity to practice submitting bids online using the Auction Software as well as submitting bids using the backup bidding procedure.

D.2. Getting Started: System Requirements

The system requirements needed to submit bids online using a desktop or laptop computer are as follows:

- A standard PC-compatible computer running Windows 7 or later, or MacOS 10.7 or later;
- An Internet connection; and
- A supported web browser.

The following web browsers are supported by the Auction Software: Microsoft Internet Explorer version 11 or later, as well as the most recent versions of Mozilla Firefox, Apple Safari, and Google Chrome.

Please use the following instructions to check the version number of the web browsers currently installed on the computer that you will use for bidding in the Auctions:

- Microsoft Internet Explorer: Open Internet Explorer, select “Help” or the “?” icon and then select “About Internet Explorer.” A dialog box will open that will indicate the version installed on your computer. You can use the link below to check the most recent version currently available for download. If the version installed on your computer is not Internet Explorer 11 or later, please download the most recent version to your computer:
<http://windows.microsoft.com/en-us/internet-explorer/download-ie>
- Mozilla Firefox: Open Mozilla Firefox, select the menu icon in the upper right-hand corner of the browser window, then select the “?” icon in the bottom right of the drop-down menu. A new menu will appear, select “About Firefox” from the bottom of the list. A dialog box will open that will indicate the version installed on your computer. You can use the link below to check the most recent version currently available for download. If the version installed on your computer is not the most recent version, please download the most recent version to your computer:
<http://www.mozilla.org/en-US/firefox/new/>
- Apple Safari: Open Safari, select “Safari” and then select “About Safari.” A dialog box will open that will indicate the version installed on your computer. You can use the link below to check the most recent version currently available for download. If the version installed on your computer is not the most recent version, please download the most recent version to your computer:
<http://support.apple.com/downloads/#safari>
- Google Chrome: Open Chrome, select the three grey dots and in the drop-down list, select “Help”, and then select “About Google Chrome.” A new tab will open that will indicate the version installed on your computer. You can use the link below to check the most recent version currently available for download. If the version installed on your computer is not the most recent version, please download the most recent version to your computer: <http://www.google.com/chrome/>

Note that the instructions above may vary based on the version of a web browser currently on your computer.

If you use an operating system or web browser that is not supported by the Auction Software, the Auction Software may not function properly.

Logging In

The Auction Software contains security measures that prevent access from unauthorized users. All information needed for logging in to the Auction Software is provided in the confidential information sent via secure file transfer to each Bidder Team. To log in, please follow these steps:

Step 1

- While connected to the Internet, open your web browser.
- In the address bar of the browser, type the web address provided to access bidding in the BGS-RSCP Auction or in the BGS-CIEP Auction (available on the login credentials page of the Confidential Information Packet provided to you via secure file transfer).
- There will be a separate web address and separate login credentials for each Auction.

Step 2

- The bidder is then prompted by a Security Alert.
- Choose “Yes”.
- The system then asks for a Login ID and a password. The *Login* screen is shown below.
- The first time a bidder logs in to the system, the bidder has to enter the Login ID and initial password provided by the Auction Manager.
- Please note that *passwords are case-sensitive*. Login IDs are not case-sensitive.



The screenshot shows a login interface for the BGS-RSCP Auction. At the top, there is a header with the text "BGS-RSCP Auction" and logos for PSEG, Rockland Electric Company, Atlantic City Electric, and Jersey Central Power & Light. Below the header, there are two input fields: "Login ID" and "Password". A red "Login" button is located at the bottom right of the form.

Step 3

- After clicking **Login**,
- The bidder is prompted to accept the “Terms and Conditions”. Please see sub-section D.12 of this manual for these terms and conditions.
- A bidder is required to change its initial password. The bidder is prompted to change its initial password to something of its own choosing. Ideally, the password should be easy to remember, but not easy to guess by others. ***Passwords cannot begin with a number, must be at least 8 characters long, but cannot be longer than 15 characters, and must only contain alphanumeric characters.*** We recommend passwords consisting of lower and upper-case letters and numbers for additional security.
- Re-enter the old password, and enter the new password twice so that the Auction Software confirms the change.
- As stated above, passwords are case-sensitive.

Change Password

* Old password

* New password

New password must be at least 8 characters

* New password (confirm)

Change Password

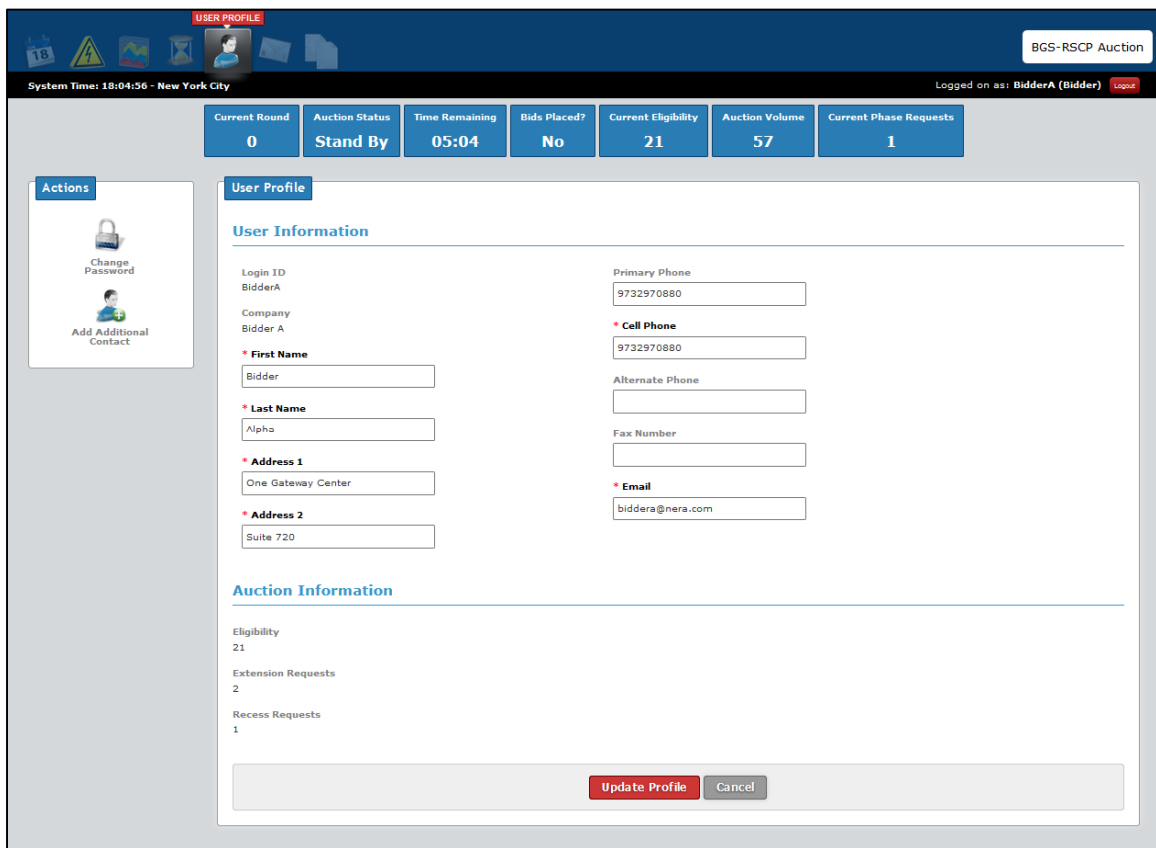
i The minimum password length is 8 and the maximum length is 15

i The password rule in this auction is ALPHA_NUMERIC. Any number, or any letter (uppercase or lowercase) are allowed. No symbols are allowed. An example of a valid password is "ABC123abc". An example of an invalid password is "ABC%\$@abc"

Step 4

After a bidder successfully changes the initial password:

- The bidder should first click the **USER PROFILE** icon on the Primary Navigation Bar.
- The bidder should enter the contact name and phone number where the Auction Manager can contact the bidder for the bidding day. Please include a cell phone number. The bidder can update this information as often as needed during the Auction.
- The bidder will be able to enter contact information for more than one person.



If at any time the phone numbers need to be updated, please modify the information in the User Profile window.

There are fields in the User Profile window that the bidder cannot edit, including:

- Login ID
- Company
- Eligibility
- Extension Requests, Recess Requests

A bidder must click the **Update Profile** button after any changes are made or the changes will be lost.

The Authorized Representative for each bidder is responsible for keeping all login information confidential. The same Login ID and password will be shared by all individuals authorized to submit bids for a bidder. During the Auction, more than one individual can be logged in at the same time using a viewer login. However, having more than one individual logged in at the same time in a given Auction using a bidder login is not recommended as it may hinder the proper functioning of the Auction Software.

After a bidder can no longer be a winner at the Auction, the bidder will lose access to the Auction Software.

D.3. The Auction Software Interface

The following is a brief description of the web page structure and the items that appear on every page. The basic areas of the page are:

- Primary Navigation Bar
- Status Bar
- Activity window

The screenshot shows the Auction Software Interface for a BGS-RSCP Auction. It features a dark blue header with navigation icons and a 'SCHEDULE' button. Below the header is a status bar with system time and user information. A central panel displays auction statistics and a detailed schedule table for Session 1 on 12/7/2017 from 18:10 to 20:00. The schedule table includes columns for Round, Bidding (Start/End), Calculating (Start/End), and Reporting (Start/End).

Round	Bidding		Calculating		Reporting	
	Start	End	Start	End	Start	End
1	18:10	18:18	18:18	18:21	18:21	18:23
2	18:23	18:31	18:31	18:34	18:34	18:36
3	18:36	18:44	18:44	18:47	18:47	18:49
4	18:49	18:57	18:57	19:00	19:00	19:02
5	19:02	19:10	19:10	19:13	19:13	19:15
6	19:15	19:23	19:23	19:26	19:26	19:28
7	19:28	19:36	19:36	19:39	19:39	19:41
8	19:41	19:49	19:49	19:52	19:52	19:54

Participating in Both Auctions

Please note that bidders participating in both Auctions will need to log in separately to each Auction. Bidders will be reminded of the Auction to which they are logged in through the color scheme of the screen, blue for RSCP and orange for CIEP.

Multiple Logins

We recommend that bidders *avoid* logging in both as a viewer and as a bidder from a single computer as this may result in the Auction Software not properly processing bids. Bidders that *must* be logged in both as a viewer and as a bidder from a single computer should use two different web browsers (for example, using Internet Explorer to log in as a viewer and Firefox to log in as a bidder).

Primary Navigation Bar

On the Primary Navigation Bar is the system time and **MESSAGES** icon that indicates the number of unread messages in a bidder's mailbox. The bidder's Login ID and a **Logout** button are also displayed. To the left of the Primary Navigation Bar, the following icons can be found:

- Schedule
- Bid Entry
- Reports
- Requests
- User Profile
- Messages
- Documents

Clicking an icon on the Primary Navigation Bar changes the content of the Activity window.

Status Bar

Just below the Primary Navigation Bar is the Status Bar. The Status Bar contains basic information about the status of the Auction as follows:

- Current Round – This shows what round the Auction is in.
- Auction Status – This shows what phase of the round the Auction is in.
- Time Remaining – This indicates the time remaining for the current phase of the round.
- Bids Placed? – This indicates whether a bid has been verified by the bidder and processed by the Auction Software.
- Current Eligibility – The maximum number of tranches across all New Jersey Electric Distribution Companies (“EDCs”)¹ that the bidder can bid.
- Auction Volume – The total number of tranches to be procured in the Auction.

¹ The EDCs are Public Service Electric and Gas Company (“PSE&G”), Jersey Central Power & Light Company (“JCP&L”), Atlantic City Electric Company (“ACE”), and Rockland Electric Company (“RECO”).

- Current Phase Requests – Remaining number of opportunities to request an extension during the bidding phase or to request a recess during the calculating and reporting phases.

Activity Window

The large middle window is the Activity window. Clicking an icon on the Primary Navigation Bar changes the content of the Activity window. The Activity window is where the auction information is displayed. A description of the icons on the Primary Navigation Bar and the information that appears in the Activity window is found in subsequent sub-sections.

D.4. Schedule

If a bidder clicks the **SCHEDULE** icon on the Primary Navigation Bar:

- A bidder is able to view the auction schedule (this screen is shown in sub-section D.3 of this manual).
- A bidder always sees the auction schedule first upon login.
- The schedule specifies start and end times for the bidding, calculating and reporting phases of the current round and of future rounds.

Bidders should continuously monitor the Schedule window for updates. The Auction Manager ensures that the schedule is up-to-date. If at any time a bidder does not see the schedule, this means that it is being updated. *Please note that the schedule uses a 24-hour clock and the Eastern Time Zone.*

D.5. Bidding in Round 1

To submit its bid in round 1, a bidder first clicks the **BID ENTRY** icon on the Primary Navigation Bar to display the bid entry table in the Activity window as shown in the illustration below.

BID ENTRY

System Time: 18:10:04 - New York City Logged on as: BidderA (Bidder) Logout

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
1	Bidding	07:56	No	21	57	2

Bid Entry

Step 1: Bid the number of tranches desired on each product.

	PSE&G	JCP&L	ACE	RECO	Total
Total Eligibility					21
Round 1 Going Price	17.000	17.000	17.000	17.000	
Tranches Bid	0	0	0	0	0

Submit Bids Reset Bids

The bidder is then asked to enter its bid in a series of steps. The bidder sees the time remaining in the bidding phase of the round. The bidder should allow sufficient time to complete all the steps of the bid entry process during the bidding phase.

Step 1: Enter the Bid

The screenshot shows a web interface for entering bids. At the top, there is a navigation bar with a 'BID ENTRY' button and several icons. Below this, a status bar shows 'System Time: 18:10:44 - New York City' and 'Logged on as: BidderA (Bidder)'. A dashboard below the status bar contains several key metrics in blue boxes: Current Round (1), Auction Status (Bidding), Time Remaining (07:16), Bids Placed? (No), Current Eligibility (21), Auction Volume (57), and Current Phase Requests (2).

The main section is titled 'Bid Entry' and contains the instruction: 'Step 1: Bid the number of tranches desired on each product.' Below this is a table with the following data:

	PSE&G	JCP&L	ACE	RECO	Total
Total Eligibility					21
Round 1 Going Price	17.000	17.000	17.000	17.000	
Tranches Bid	8	5	2	0	15

At the bottom of the table, there are two buttons: 'Submit Bids' (in red) and 'Reset Bids' (in grey).

The cells in the row labeled “Tranches Bid” are pull-down menus. The bidder selects the number of tranches that the bidder wants to bid for each of the EDCs. As the number of tranches bid for each EDC is selected, the “Total” on the bottom right automatically updates. This total is equal to the bidder’s eligibility in the next round. Above, the bidder has selected:

- PSE&G – 8 tranches
- JCP&L – 5 tranches
- ACE – 2 tranches
- RECO – 0 tranches

If the number of tranches specified in the pull-down menus is satisfactory, then click **Submit Bids**. If the selection is not satisfactory, changes can be made to the number of tranches bid for any EDC or **Reset Bids** can be clicked. By clicking **Reset Bids** in round 1, all selections are set to 0. In subsequent rounds, by clicking **Reset Bids**, all selections are returned to the values in effect when the window was last loaded.

Step 2: Verify the Bid

The bidder must verify the bid to complete the bid entry process by clicking the **Verify Bids** button at the bottom of the *Verification* page as shown in the illustration below.

The screenshot displays the 'BID ENTRY' interface. At the top, there is a navigation bar with icons for a calendar (18), a warning sign, a line graph, an hourglass, a person, and a document. Below this, the system time is '18:11:08 - New York City' and the user is logged in as 'BidderA (Bidder)'. A status bar shows: Current Round: 1, Auction Status: Bidding, Time Remaining: 06:52, Bids Placed?: No, Current Eligibility: 21, Auction Volume: 57, Current Phase Requests: 2.

The main content area has two tabs: 'Actions' and 'Bid Confirm/Accept'. The 'Bid Confirm/Accept' tab is active and contains the following text:

Step 2: You have specified all of the information for your bid submission. Now, verify your bid. Press Verify Bids when complete or bid will be invalid.

Warning - The number of tranches bid is not sufficient to maintain your current eligibility. If you do not select the 'Change Bids' button below, your eligibility will be reduced by the number of tranches you are withdrawing from the auction (including any unused free eligibility). Withdrawn tranches will not add to the eligibility total and no eligibility is required to retain withdrawn tranches.

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	8	5	2	--	15
at Going Price	17,000	17,000	17,000	17,000	
Switches In (+) and Out (-)	--	--	--	--	
Switch Priority	--	--	--	--	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	--	--	--	--	
at Exit Price	--	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

At the bottom of the 'Bid Confirm/Accept' tab, there are two buttons: 'Verify Bids' (highlighted with a red box) and 'Change Bids'.

Please note: The bidder *must* click **Verify Bids** because the Auction Software receives the bid only after the bid is verified.

Important points regarding this example:

- Because this is a bid for round 1, there is no switching or withdrawing. Switching and withdrawing are not possible until round 2.
- Unless you click **Verify Bids**, your bid is not received and processed by the Auction Software and the “Bids Placed?” box on the Status Bar will indicate “No”.
- Because the bid shown (15 tranches total) is less than the current eligibility (in this case 21 tranches, as indicated in the “Current Eligibility” box on the Status Bar), a warning appears in the Activity window to advise the bidder of the impending reduction in eligibility.

If the bidder is not satisfied with the bid entry:

- The bid can be changed by clicking **Change Bids**.
- Clicking **Change Bids** returns the bidder to the bid entry table.
- From this page, the bidder selects the number of tranches that the bidder wants to bid for each of the EDCs.

During a bidding phase, bids can be changed even after verifying a bid and using other functions of the system; bidders can also log out, log back in during the bidding phase, and change their bids if they wish. Bids cannot be changed after the end of the bidding phase.

Step 3: Print the Bid

- After the bidder clicks **Verify Bids**, and after the bid is received and processed by the Auction Software, the *Bid Received* page is displayed. Print the bid receipt for your records by clicking the **PRINT** icon in the “Actions” box on the left.
- The bid can be changed (i.e., overwritten) from this point as well by clicking **Change Bids**.
- At this stage, your bid is received and processed by the Auction Software and the “Bids Placed?” box on the Status Bar will indicate “Yes”.

System Time: 18:12:01 - New York City Logged on as: **BidderA (Bidder)** [Logout](#)

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
1	Bidding	05:59	Yes	21	57	2

Actions

Print

Bid Confirm/Accept

Bid received for Bidder A before bidding closed for round 1.
Bid processed at 12/07/2017 18:11:50 EST.

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	8	5	2	--	15
at Going Price	17.000	17.000	17.000	17.000	
Switches In (+) and Out (-)	--	--	--	--	
Switch Priority	--	--	--	--	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	--	--	--	--	
at Exit Price	--	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

[Change Bids](#)

D.6. Bidding in Round 2 and All Subsequent Rounds

This sub-section provides a number of examples for submitting bids in round 2. The process for submitting bids in all subsequent rounds is the same. The examples include:

- Submitting the same bid as in the previous round (in this case, round 1).
- Submitting a bid with one switch.
- Submitting a bid that involves withdrawing tranches.
- Submitting a bid with multiple switches.
- Submitting a bid with multiple switches and withdrawals.

In each case, the bidder is asked to enter its bid in a series of steps. Subsequent to the initial selection of the number of tranches bid for each EDC, each step thereafter is a function of the choices made in prior steps.

Submitting the Same Bid as in the Previous Round

Step 1: Enter the Bid

After clicking the **BID ENTRY** icon in the Primary Navigation Bar, the bidder sees the following:

	PSE&G	JCP&L	ACE	RECO	Total
Round 1 Tranches	8	5	2	--	15
at Price	17.000	17.000	17.000	17.000	
Round 2 Going Price	16.560	16.653	16.673	16.407	
Tranches Bid	8	5	2	0	15

- The bid from the previous round is displayed as a starting point, along with the new prices for round 2.
- To enter the same bid in round 2 that was entered in round 1, the bidder can click **Submit Bids** without needing to select the number of tranches bid from the pull-down menus.

The starting point for the pull-down menus is the previous round bid for bidder convenience only. To submit the same bid in the current round as in the previous round, the bidder must proceed through the steps described here. If a bidder fails to submit a bid in a round, the bidder will be assigned a default bid as defined in the Auction Rules.

Step 2: Verify the Bid

Before proceeding, it is necessary to verify that the bid entered is correct. The bidder *must* confirm the bid by clicking **Verify Bids**.

BID ENTRY

System Time: 18:24:20 - New York City Logged on as: BidderA (Bidder) [Logout](#)

BGS-RSCP Auction

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
2	Bidding	06:40	No	15	57	2

Actions

Bid Confirm/Accept

Step 2: You have specified all of the information for your bid submission. Now, verify your bid. Press **Verify Bids** when complete or bid will be invalid.

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	8	5	2	--	15
at Going Price	16.560	16.653	16.673	16.407	
Switches In (+) and Out (-)	--	--	--	--	
Switch Priority	--	--	--	--	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	--	--	--	--	
at Exit Price	--	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

Verify Bids **Change Bids**

Step 3: Print the Bid

After the bidder clicks **Verify Bids**, and after the bid is received and processed by the Auction Software, the *Bid Received* page is displayed. Print the bid receipt for your records by clicking the **PRINT** icon in the “Actions” box on the left. At this stage, your bid is received and processed by the Auction Software and the “Bids Placed?” box on the Status Bar will indicate “Yes”.

The screenshot shows the BGS-RSCP Auction software interface. At the top, there is a navigation bar with icons for a calendar, a warning sign, a line graph, an hourglass, a person, and a document. The system time is 18:25:21 - New York City, and the user is logged on as BidderA (Bidder). The main status bar displays: Current Round: 2, Auction Status: Bidding, Time Remaining: 05:39, Bids Placed?: Yes, Current Eligibility: 15, Auction Volume: 57, and Current Phase Requests: 2.

On the left, there is an 'Actions' box with a printer icon and a 'Print' button. The main content area is titled 'Bid Confirm/Accept' and contains a green notification box: 'Bid received for Bidder A before bidding closed for round 2. Bid processed at 12/07/2017 18:25:20 EST.' Below this is a table with the following data:

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	8	5	2	--	15
at Going Price	16.560	16.653	16.673	16.407	
Switches In (+) and Out (-)	--	--	--	--	
Switch Priority	--	--	--	--	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	--	--	--	--	
at Exit Price	--	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

At the bottom of the main content area, there is a 'Change Bids' button.

Submitting a Bid with a Switch

Step 1: Enter the Bid

To switch tranches between any two EDCs, reduce the number of tranches in the corresponding pull-down menu for one EDC, while increasing the number of tranches in the pull-down menu for the other EDC.

In this example, the bidder increases the number of tranches bid on PSE&G from 8 to 10, while reducing the number of tranches bid on JCP&L from 5 to 3. The bidder bids the same number of tranches as in the previous round for the other EDCs.

For all EDCs combined, 15 tranches were bid in the last round, and 15 tranches are also bid in the current round. No tranches are withdrawn; the bidder is only switching.

- If the bid selection made is not satisfactory, changes can be made to this bid.
- Clicking **Reset Bids** returns the starting point to this page, which at this point is the previous bid.
- When the number of tranches specified in each pull-down menu is satisfactory, click **Submit Bids**.

BID ENTRY BGS-RSCP Auction

System Time: 18:27:24 - New York City Logged on as: BidderA (Bidder) Logout

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
2	Bidding	03:36	No	15	57	2

Bid Entry

Step 1: Bid the number of tranches desired on each product.

	PSE&G	JCP&L	ACE	RECO	Total
Round 1 Tranches	8	5	2	--	15
at Price	17.000	17.000	17.000	17.000	
Round 2 Going Price	16.560	16.653	16.673	16.407	
Tranches Bid	10	3	2	0	15

Submit Bids Reset Bids

Step 2: Verify the Bid

Before proceeding, it is necessary to verify that the bid entered is correct. The bidder *must* confirm the bid by clicking **Verify Bids**.

BID ENTRY

System Time: 18:27:58 - New York City Logged on as: BidderA (Bidder) Logout

BGS-RSCP Auction

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
2	Bidding	03:02	No	15	57	2

Actions **Bid Confirm/Accept**

Step 2: You have specified all of the information for your bid submission. Now, verify your bid. Press Verify Bids when complete or bid will be invalid.

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	10	3	2	--	15
at Going Price	16.560	16.653	16.673	16.407	
Switches In (+) and Out (-)	2	-2	--	--	
Switch Priority	1	--	--	--	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	--	--	--	--	
at Exit Price	--	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

Verify Bids Change Bids

Note that the switches are indicated on the Verification page. Switches preceded by the minus (-) sign indicate a decrease in the number of tranches bid on an EDC.

Step 3: Print the Bid

After the bidder clicks **Verify Bids**, and after the bid is received and processed by the Auction Software, the *Bid Received* page is displayed. Print the bid receipt for your records by clicking the **PRINT** icon in the “Actions” box on the left. At this stage, your bid is received and processed by the Auction Software and the “Bids Placed?” box on the Status Bar will indicate “Yes”.

The screenshot shows the 'Bid Confirm/Accept' page in the auction software. At the top, a status bar displays 'System Time: 18:28:33 - New York City' and 'Logged on as: BidderA (Bidder)'. Below this is a navigation bar with buttons for 'Current Round' (2), 'Auction Status' (Bidding), 'Time Remaining' (02:27), 'Bids Placed?' (Yes), 'Current Eligibility' (15), 'Auction Volume' (57), and 'Current Phase Requests' (2). On the left, an 'Actions' box contains a printer icon and the word 'Print'. The main content area features a green notification box stating: 'Bid received for Bidder A before bidding closed for round 2. Bid processed at 12/07/2017 18:28:31 EST.' Below the notification is a table with the following data:

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	10	3	2	--	15
at Going Price	16.560	16.653	16.673	16.407	
Switches In (+) and Out (-)	2	-2	--	--	
Switch Priority	1	--	--	--	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	--	--	--	--	
at Exit Price	--	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

At the bottom of the main content area, there is a 'Change Bids' button.

Submitting a Bid with Withdrawn Tranches

Step 1: Enter the Bid

To reduce the number of tranches bid for an EDC, simply reduce the number of tranches in the corresponding pull-down menu for the EDC. This will be possible as long as the price for the EDC in question has been reduced from the previous round. For example, the number of tranches bid on PSE&G below is reduced from 8 to 4 tranches, after the price has decreased from 17.000¢/kWh to 16.560¢/kWh.

For all EDCs combined, 15 tranches were bid in the previous round and 11 tranches are bid in this round. Four tranches are withdrawn from PSE&G.

When the number of tranches specified in the pull-down menus is satisfactory, click **Submit Bids**.

BGS-RSCP Auction
BID ENTRY

System Time: 18:32:43 - New York City
Logged on as: BidderA (Bidder) [Logout](#)

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
2	Bidding	08:17	No	15	57	2

Bid Entry

Step 1: Bid the number of tranches desired on each product.

	PSE&G	JCP&L	ACE	RECO	Total
Round 1 Tranches	8	5	2	--	15
at Price	17.000	17.000	17.000	17.000	
Round 2 Going Price	16.560	16.653	16.673	16.407	
Tranches Bid	<input type="text" value="4"/>	<input type="text" value="5"/>	<input type="text" value="2"/>	<input type="text" value="0"/>	11

Submit Bids
Reset Bids

Step 2: Name an Exit Price

When a bidder withdraws tranches from an EDC, an exit price must be specified. This exit price must be greater than the going price for that EDC, but the exit price can be no more than the previous price. The Auction Software indicates the lowest and highest acceptable exit prices for any tranches that are withdrawn by the bidder.

	PSE&G	JCP&L	ACE	RECO
Maximum Exit Price	17.000	--	--	--
Exit Price	16.750	--	--	--
Minimum Exit Price	16.561	--	--	--

In the example above, an exit price of 16.750¢/kWh is submitted (which is greater than the going price of 16.560¢/kWh but no more than the previous price of 17.000¢/kWh). By withdrawing tranches, a bidder will reduce its eligibility in all future rounds. Note that a warning appears to in the Activity window to advise the bidder of the impending reduction in eligibility whenever the bidder withdraws tranches.

Click **Continue** to go to the Verification page.

Step 3: Verify the Bid

Before proceeding, it is necessary to verify that the bid entered is correct. The bidder *must* confirm the bid by clicking **Verify Bids**.

BID ENTRY BGS-RSCP Auction

System Time: 18:33:45 - New York City Logged on as: BidderA (Bidder) [Logout](#)

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
2	Bidding	07:15	No	15	57	2

Actions **Bid Confirm/Accept**

Step 3: You have specified all of the information for your bid submission. Now, verify your bid. Press Verify Bids when complete or bid will be invalid.

Warning - The number of tranches bid is not sufficient to maintain your current eligibility. If you do not select the 'Change Bids' button below, your eligibility will be reduced by the number of tranches you are withdrawing from the auction (including any unused free eligibility). Withdrawn tranches will not add to the eligibility total and no eligibility is required to retain withdrawn tranches.

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	4	5	2	--	11
at Going Price	16.560	16.653	16.673	16.407	
Switches In (+) and Out (-)	--	--	--	--	
Switch Priority	--	--	--	--	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	4	--	--	--	
at Exit Price	16.750	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

Verify Bids
Change Bids

Step 4: Print the Bid

After the bidder clicks **Verify Bids**, and after the bid is received and processed by the Auction Software, the *Bid Received* page is displayed. Print the bid receipt for your records by clicking the **PRINT** icon in the “Actions” box on the left. At this stage, your bid is received and processed by the Auction Software and the “Bids Placed?” box on the Status Bar will indicate “Yes”.

The screenshot shows the 'Bid Confirm/Accept' page in the auction software. At the top, a status bar displays 'System Time: 18:34:10 - New York City' and 'Logged on as: BidderA (Bidder)'. Below this is a navigation bar with buttons for 'Current Round' (2), 'Auction Status' (Bidding), 'Time Remaining' (06:50), 'Bids Placed?' (Yes), 'Current Eligibility' (15), 'Auction Volume' (57), and 'Current Phase Requests' (2). On the left, an 'Actions' box contains a printer icon and the word 'Print'. The main content area features a green notification box stating: 'Bid received for Bidder A before bidding closed for round 2. Bid processed at 12/07/2017 18:34:08 EST.' Below the notification is a table with the following data:

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	4	5	2	--	11
at Going Price	16.560	16.653	16.673	16.407	
Switches In (+) and Out (-)	--	--	--	--	
Switch Priority	--	--	--	--	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	4	--	--	--	
at Exit Price	16.750	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

At the bottom of the main content area, there is a 'Change Bids' button.

Submitting a Bid with Multiple Switches and Switching Priorities

Step 1: Enter the Bid

A bidder can enter switches so that there are increases or decreases in the tranches bid for multiple EDCs in the same round. For example, a bidder can reduce the number of tranches bid on PSE&G by 2, while increasing the number of tranches bid on ACE and RECO by 1 tranche each:

BID ENTRY

BGS-RSCP Auction

System Time: 18:36:27 - New York City Logged on as: BidderA (Bidder) Logout

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
2	Bidding	04:33	No	15	57	2

Bid Entry

Step 1: Bid the number of tranches desired on each product.

	PSE&G	JCP&L	ACE	RECO	Total
Round 1 Tranches	8	5	2	--	15
at Price	17.000	17.000	17.000	17.000	
Round 2 Going Price	16.560	16.653	16.673	16.407	
Tranches Bid	6	5	3	1	15

Submit Bids Reset Bids

For all EDCs combined, 15 tranches were bid in the last round and 15 tranches are also bid in the current round. No tranches are withdrawn; the bidder is only switching.

- The number of tranches bid on one EDC is decreased.
- The number of tranches bid on two different EDCs is increased.
- The bidder must designate priorities among the EDCs for which the number of tranches is increased.
- The priorities allow evaluation of the bidder's preferences in the event that not all switches can be accommodated.

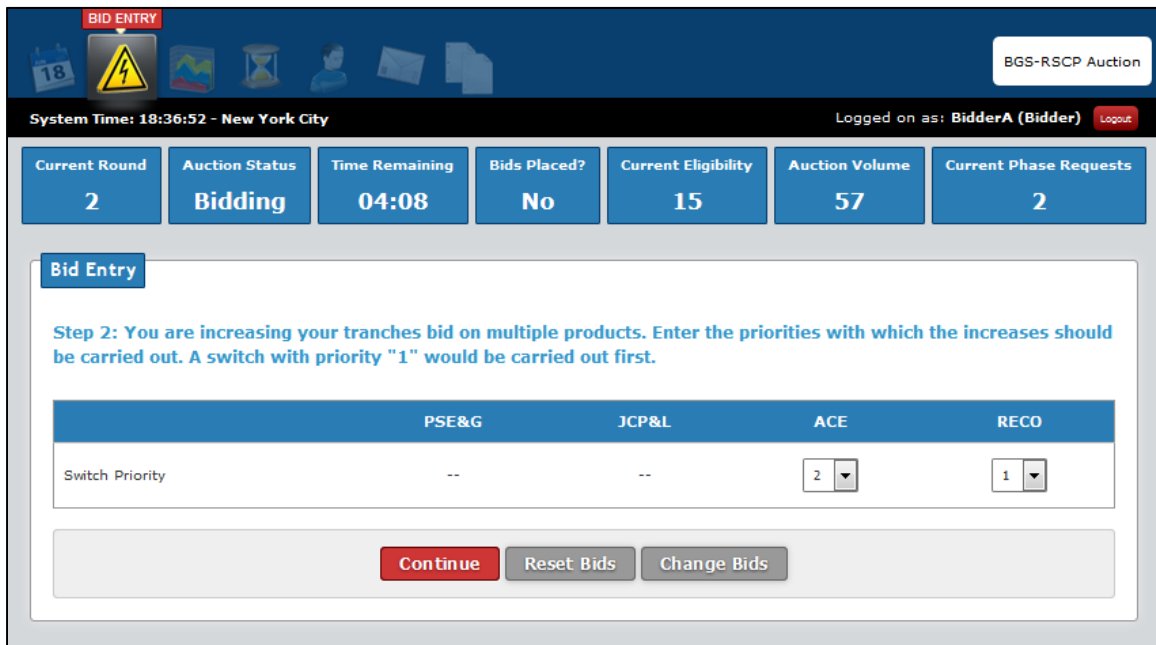
When satisfied with the number of tranches specified on the pull-down menus, click **Submit Bids**.

Step 2: Designate Switching Priorities

When the bidder clicks **Submit Bids**, a page to enter switching priorities is displayed.

When submitting switching priorities:

- The bidder prioritizes the switches only for those EDCs with an increased number of tranches bid.
- The bidder enters a different switching priority for each EDC that has an increased number of tranches bid.
- “1” is the highest priority; if not all tranches can be switched, tranches will be switched first into the EDC(s) with the highest priority (priorities).



Click **Continue** to go to the Verification page.

Step 3: Verify the Bid

Before proceeding, it is necessary to verify that the bid entered is correct. The bidder *must* confirm the bid by clicking **Verify Bids**.

BID ENTRY

System Time: 18:37:11 - New York City Logged on as: BidderA (Bidder) Logout

BGS-RSCP Auction

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
2	Bidding	03:49	No	15	57	2

Actions **Bid Confirm/Accept**

Step 3: You have specified all of the information for your bid submission. Now, verify your bid. Press **Verify Bids** when complete or bid will be invalid.

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	6	5	3	1	15
at Going Price	16.560	16.653	16.673	16.407	
Switches In (+) and Out (-)	-2	--	1	1	
Switch Priority	--	--	2	1	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	--	--	--	--	
at Exit Price	--	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

Verify Bids **Change Bids**

Note that the switches are automatically calculated and that the switching priorities appear.

Step 4: Print the Bid

After the bidder clicks **Verify Bids**, and after the bid is received and processed by the Auction Software, the *Bid Received* page is displayed. Print the bid receipt for your records by clicking the **PRINT** icon in the “Actions” box on the left. At this stage, your bid is received and processed by the Auction Software and the “Bids Placed?” box on the Status Bar will indicate “Yes”.

The screenshot shows the 'BID ENTRY' interface for a 'BGS-RSCP Auction'. At the top, it displays 'System Time: 18:37:35 - New York City' and 'Logged on as: BidderA (Bidder)'. Below this is a status bar with several metrics:

- Current Round: 2
- Auction Status: Bidding
- Time Remaining: 03:25
- Bids Placed?: Yes
- Current Eligibility: 15
- Auction Volume: 57
- Current Phase Requests: 2

On the left, there is an 'Actions' box containing a printer icon and the text 'Print'. The main area is titled 'Bid Confirm/Accept' and contains a green notification box:

Bid received for Bidder A before bidding closed for round 2.
Bid processed at 12/07/2017 18:37:34 EST.

Below the notification is a table with the following data:

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	6	5	3	1	15
at Going Price	16.560	16.653	16.673	16.407	
Switches In (+) and Out (-)	-2	--	1	1	
Switch Priority	--	--	2	1	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	--	--	--	--	
at Exit Price	--	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

At the bottom of the main area, there is a 'Change Bids' button.

Submitting a Bid with Withdrawals and Switches

Step 1: Enter the Bid

A bidder can decrease the number of tranches bid in total, but increase the number of tranches bid on some EDCs. If the bidder is reducing the number of tranches bid on more than one EDC, the bidder will be asked by the Auction Software to provide additional information.

For example, the bidder can decrease the number of tranches bid on PSE&G from 8 to 5 tranches, decrease the number of tranches bid on JCP&L from 5 to 3 tranches, increase the number of tranches bid on ACE from 2 to 3 tranches and increase the number of tranches bid on RECO from 0 to 1 tranche.

	PSE&G	JCP&L	ACE	RECO	Total
Round 1 Tranches	8	5	2	--	15
at Price	17.000	17.000	17.000	17.000	
Round 2 Going Price	16.560	16.653	16.673	16.407	
Tranches Bid	5	3	3	1	12

For all EDCs combined, 15 tranches were bid in the previous round and 12 tranches are bid in the current round. Three tranches are withdrawn. There are also switches, since the numbers of tranches bid on ACE and RECO increase.

When satisfied with the number of tranches specified in the pull-down menus, click **Submit Bids**.

Step 2: Designate Switches and Withdrawals

When the bidder clicks **Submit Bids**, a page for the bidder to designate which tranches are withdrawn (and therefore which ones are being switched) is displayed:

BID ENTRY

System Time: 18:39:48 - New York City Logged on as: BidderA (Bidder) Logout

Current Round: 2 Auction Status: Bidding Time Remaining: 05:12 Bids Placed?: No Current Eligibility: 15 Auction Volume: 57 Current Phase Requests: 2

Bid Entry

Step 2: Please designate which tranches to withdraw in the following table.

Warning - The number of tranches bid is not sufficient to maintain your current eligibility. If you do not select the 'Change Bids' button below, your eligibility will be reduced by the number of tranches you are withdrawing from the auction (including any unused free eligibility). Withdrawn tranches will not add to the eligibility total and no eligibility is required to retain withdrawn tranches.

	PSE&G	JCP&L	ACE	RECO	Total
Prior Round Tranches	8	5	2	--	15
Tranches to Withdraw	-1	-2	--	--	-3
Switches In (+) and Out (-)	-2	--	+1	+1	0
Current Round Tranches Bid	5	3	3	1	12

Continue Reset Bids Change Bids

The bidder is asked to designate whether the tranches that are withdrawn come from PSE&G and/or JCP&L. To indicate that the bidder is withdrawing 1 tranche from PSE&G and 2 tranches from JCP&L, the bidder selects -1 from the PSE&G pull-down menu and -2 from the JCP&L pull down menu. The total number of “Tranches to Withdraw” will update as the bidder is making its selections. This number should be -3 as the bidder is reducing the total number of tranches bid by three.

- Once the number of tranches withdrawn is entered for each EDC, the number of switches is automatically calculated.
- The Auction Software will not allow the bidder to proceed until the number of tranches withdrawn is correct (three tranches in this example).

If the designation of switches and withdrawals is satisfactory, then click **Continue**.

Steps 3 and 4: Designate Switching Priorities and Name Exit Prices

After clicking **Continue**, a page for the dual purpose of entering exit prices and switching priorities appears.

As with the previous examples:

- The bidder must assign switching priorities for EDCs for which the number of tranches bid has increased, (ACE and RECO in this example).
- The bidder must submit an exit price for each EDC for which tranches are withdrawn as indicated on the previous screen. In this example, each of PSE&G and JCP&L requires an exit price; the exit price submitted for PSE&G is 16.750¢/kWh and the exit price submitted for JCP&L is 16.821¢/kWh.

BID ENTRY BGS-RSCP Auction

System Time: 18:41:28 - New York City Logged on as: BidderA (Bidder) Logout

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
2	Bidding	03:32	No	15	57	2

Bid Entry

Step 3: Please place switching priorities and exit price(s). Please enter an exit price no greater than the prior going price and above the current going price. Also, a switch with priority "1" would be carried out first.

Warning - The number of tranches bid is not sufficient to maintain your current eligibility. If you do not select the 'Change Bids' button below, your eligibility will be reduced by the number of tranches you are withdrawing from the auction (including any unused free eligibility). Withdrawn tranches will not add to the eligibility total and no eligibility is required to retain withdrawn tranches.

	PSE&G	JCP&L	ACE	RECO
Maximum Exit Price	17.000	17.000	--	--
Exit Price	16.750	16.821	--	--
Minimum Exit Price	16.561	16.654	--	--
Switch Priority	--	--	1 ▼	2 ▼

Continue Reset Bids Change Bids

Click **Continue** to go to the Verification page.

Step 5: Verify the Bid

Before proceeding, it is necessary to verify that the bid entered is correct. The bidder *must* confirm the bid by clicking **Verify Bids**.

Warning - The number of tranches bid is not sufficient to maintain your current eligibility. If you do not select the 'Change Bids' button below, your eligibility will be reduced by the number of tranches you are withdrawing from the auction (including any unused free eligibility). Withdrawn tranches will not add to the eligibility total and no eligibility is required to retain withdrawn tranches.

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	5	3	3	1	12
at Going Price	16.560	16.653	16.673	16.407	
Switches In (+) and Out (-)	-2	--	1	1	
Switch Priority	--	--	1	2	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	1	2	--	--	
at Exit Price	16.750	16.821	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

Note that the switches are automatically calculated, the switching priorities appear, as do the exit prices for the withdrawn tranches.

Step 6: Print the Bid

After the bidder clicks **Verify Bids**, and after the bid is received and processed by the Auction Software, the *Bid Received* page is displayed. Print the bid receipt for your records by clicking the **PRINT** icon in the “Actions” box on the left. At this stage, your bid is received and processed by the Auction Software and the “Bids Placed?” box on the Status Bar will indicate “Yes”.

The screenshot shows the 'BID ENTRY' interface for a 'BGS-RSCP Auction'. The top navigation bar includes a calendar icon with '18', a warning icon, and a 'Logout' button. The status bar indicates 'System Time: 18:42:13 - New York City' and 'Logged on as: BidderA (Bidder)'. Below the status bar is a row of summary boxes: Current Round (2), Auction Status (Bidding), Time Remaining (02:47), Bids Placed? (Yes), Current Eligibility (15), Auction Volume (57), and Current Phase Requests (2). On the left, an 'Actions' box contains a printer icon and the text 'Print'. The main area is titled 'Bid Confirm/Accept' and features a green notification box: 'Bid received for Bidder A before bidding closed for round 2. Bid processed at 12/07/2017 18:42:03 EST.' Below this is a table with columns for PSE&G, JCP&L, ACE, RECO, and Total. A 'Change Bids' button is located at the bottom of the main area.

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	5	3	3	1	12
at Going Price	16.560	16.653	16.673	16.407	
Switches In (+) and Out (-)	-2	--	1	1	
Switch Priority	--	--	1	2	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	1	2	--	--	
at Exit Price	16.750	16.821	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

D.7. Auction Phases

All bids are submitted and all results are evaluated during specific time periods called “rounds”. A round has a bidding phase, a calculating phase, and a reporting phase. The “Auction Status” box on the Status Bar reports the current phase of the round.

Bidding Phase

Bids can only be submitted during the bidding phase of a round. During the bidding phase, the “Auction Status” box on the Status Bar reads “Bidding” or “Extended Bidding”.

Calculating Phase

During the calculating phase, the “Auction Status” box on the Status Bar reads “Calculating” or “Time Out”. No bids can be submitted and results for the current round cannot yet be viewed.

Reporting Phase

During the reporting phase, the “Auction Status” box on the Status Bar reads “Reporting”. During this phase, results in the Common Report are viewable by all bidders and include a range of total excess supply as well as price information for each EDC. Results that are specific to a bidder’s bid are made available only to that bidder (such as any switches that were denied, withdrawals that were retained, etc.) in its Round Report. Recess requests are requests to extend the reporting phase of a round for at least 20 minutes. If a recess is granted, the “Auction Status” box on the Status Bar reads “In Recess”.

Standby

The “Auction Status” box on the Status Bar reads “Standby” when the Auction Manager has created a schedule for the Auction but there is no round of the Auction currently in progress.

Not Scheduled

The “Auction Status” box on the Status Bar reads “Not Scheduled” when the Auction Manager has not established a schedule for the Auction. When the status is “Not Scheduled” the bidder is able to log in to the Auction Software but is not able to view a schedule.

Pause

If there is any Auction irregularity or technical difficulty, the Auction may be paused during any phase. The “Auction Status” box will read “Paused” or “Time Out”. Further

information will be forthcoming from the Auction Manager, typically including updated schedule information.

Auction Finished

At the end of the Auction, the “Auction Status” box will read “Auction Finished”.

D.8. Calculating and Reporting

During the Auction

Reports are generated during the calculating phase of each round, and are made available to bidders during the reporting phase of each round while the Auction is in progress.

- Reports for the prior round can be accessed by clicking the **REPORTS** icon on the Primary Navigation Bar.
- This displays the results of the most recent round.
- From this page, results of other rounds in the Auction can also be viewed by choosing the round on the pull-down menu.

The bidder has access to the Round Report. The Round Report contains information about the bidder’s own bids and is made available only to the bidder. The bidder can print the Round Report or save the Round Report in a spreadsheet by clicking the **SAVE AS CSV** icon in the “Actions” box on the left.

System Time: 18:47:01 - New York City Logged on as: BidderA (Bidder) Logout

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
2	Reporting	02:59	Yes	12	57	1

Actions

Print

Save as CSV

Reports

Report Name: Round Report Round: 2 Show Report

Round Report: Accepted Bid - Round 2

	PSE&G	JCP&L	ACE	RECO	Total
Round 2 Tranches at Going Price	5	3	3	1	12
Tranches Retained from Denied Switches at Price	--	--	--	--	--
Tranches Withdrawn at Exit Price	1	2	--	--	
Tranches Retained from Withdrawals at Exit Price	--	--	--	--	
Free Eligibility					--
Total Eligibility					12
Round 3 Price	16.328	16.653	16.673	15.407	

The Round Report provided above shows results for “Bidder A” in round 2. It contains information on the round 2 and 3 going prices for each EDC.

The other report available for viewing at the end of each round is the Common Report, which shows tranche targets for each EDC, load caps, a range of total excess supply for the Auction, as well as price and decrement information for each EDC. To view the Common Report, choose “Common Report” on the Report Name pull-down menu at the top of the Reports window, and click **Show Report**.

Bidders can also print the Common Report or save the Common Report in a spreadsheet by clicking the **SAVE AS CSV** icon in the “Actions” box on the left.

System Time: 18:50:56 - New York City Logged on as: BidderA (Bidder)

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
2	Reporting	04:04	Yes	12	57	1

Report Name: Common Report Round: 2 Show Report

Common Report - Round 2

	PSE&G	JCP&L	ACE	RECO	Total
Round 3 Tranche Target	29	20	7	1	57
Round 3 Load cap	14	9	3	1	27
Statewide Load Cap	21				
Round 2 Price	16.560	16.653	16.673	16.407	
Decrement	0.232	0.507	0.208	0.820	
Round 3 Price	16.328	16.146	16.465	15.587	

Regime: 1

Range of Total Excess Supply: 21 to 30

The Common Report provided above shows results for round 2.

After the Auction

Once the Auction has ended, the number of tranches for each EDC won by the bidder can be viewed. The end of Auction report can be accessed by clicking the **REPORTS** icon in the Primary Navigation Bar, and then choose “Round Report” on the Report Name pull-down menu at the top of the Reports window, and click **Show Report**.

System Time: 8:45:26 - New York City Logged on as: BidderA (Bidder) Logout

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
2	Auction Finished	0:00	Yes	12	57	0

Report Name: Round Report Round: Final Show Report

Tranches at Final Price

	PSE&G	JCP&L	ACE	RECO	Total
Tranches at Final Price	5	3	3	1	12
	16.560	16.653	16.673	16.407	

D.9. User Profile

A bidder can view and edit its own contact information at any time during the Auction and can change its password by clicking the **USER PROFILE** icon on the Primary Navigation Bar. A bidder should make sure that its contact information is always accurate and up-to-date, and that it provides the best way for the Auction Manager Team to get in touch with the bidder for that bidding day.

USER PROFILE

BGS-RSCP Auction

System Time: 18:04:56 - New York City

Logged on as: BidderA (Bidder) Logout

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
0	Stand By	05:04	No	21	57	1

Actions

- Change Password
- Add Additional Contact

User Profile

User Information

Login ID: BidderA

Company: Bidder A

* First Name: Bidder

* Last Name: Alpha

* Address 1: One Gateway Center

* Address 2: Suite 720

Primary Phone: 9732970880

* Cell Phone: 9732970880

Alternate Phone:

Fax Number:

* Email: biddera@nera.com

Auction Information

Eligibility: 21

Extension Requests: 2

Recess Requests: 1

Update Profile Cancel

Editing the User Profile

A bidder can edit its own profile by making changes in the appropriate fields and then clicking the **Update Profile** button when finished (directly below the profile information). The bidder will be able to enter contact information for more than one person.

Not all fields on the User Profile window are editable. Fields that cannot be edited by the bidder include Login ID, Company, Eligibility, Extension Requests, and Recess Requests.

Changing Passwords

A bidder can change its password from the User Profile window by clicking the **CHANGE PASSWORD** icon in the “Actions” box on the left. Upon clicking the **CHANGE PASSWORD** icon, a new page is displayed where the bidder must enter its current password as well as a new password. The bidder must repeat the entry of the new password in the “New password (confirm)” field.

After clicking **Change Password**, the bidder is automatically logged off the system and taken to the Login page where the bidder should log back in using the new password.

Change Password

* Old password

* New password

 New password must be at least 8 characters

* New password (confirm)

Change Password

i The minimum password length is 8 and the maximum length is 15

i The password rule in this auction is ALPHA_NUMERIC. Any number, or any letter (uppercase or lowercase) are allowed. No symbols are allowed. An example of a valid password is "ABC123abc". An example of an invalid password is "ABC%\$@abc"

Lost or Compromised Passwords

In the event that a password is lost or compromised, contact the Auction Manager immediately at 973-297-0880. New login credentials will be issued as necessary.

D.10. System Mail

By clicking the **MESSAGES** icon in the Primary Navigation Bar, a bidder gains access to the mail system internal to the Auction Software (“System Mail”). A highlighted number above the **MESSAGES** icon notifies a bidder of any unread messages. There are two types of messages: system-generated messages and messages from the Auction Manager.

In the Messages window, a bidder can:

- Compose and send messages to the Auction Manager.
- Read system-generated messages and messages from the Auction Manager.

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
0	Stand By	01:33	No	21	57	1

Sent	To	From	Subject
12/08/2017 08:31:05 EST	Bidder A	Auction Manager	Message 1
12/08/2017 08:29:55 EST	All	Auction Manager	The Auction Manager has published a new schedule for the auction

To read a message, click the subject of the message. Once a message is read, the number of new messages will adjust correspondingly.

To compose a message to the Auction Manager, click the **COMPOSE NEW MESSAGE** icon in the “Actions” box on the left. The bidder can compose the subject and full text of the message. To send the message, click **Send**. Bidders should use System Mail only for urgent communications with the Auction Manager regarding bidding in the Auctions..

D.11. Extension Requests and Recess Requests

By clicking the **REQUESTS** icon in the Primary Navigation Bar, a bidder can gain access to recess requests and extension requests. The number of requests that the bidder has remaining is displayed in the Status Bar during the appropriate phase of the round. Each bidder begins with 2 extension requests and 1 recess request.

Extension Requests

Extension requests are requests to extend the bidding phase for 15 minutes. An extension may be requested **ONLY** when:

- a. The Auction is in the bidding phase *and*
- b. A bidder with positive eligibility has extension requests remaining.

The screenshot displays the BGS-RSCP Auction interface. At the top, there is a navigation bar with a 'REQUESTS' icon. Below it, a status bar shows 'System Time: 8:39:08 - New York City' and 'Logged on as: BidderA (Bidder)'. The main dashboard features several metrics: Current Round (2), Auction Status (Bidding), Time Remaining (02:52), Bids Placed? (No), Current Eligibility (18), Auction Volume (57), and Current Phase Requests (2). The 'Extension & Recess Requests' section is highlighted, showing 'Extension Requests' with 2 remaining and a 'Submit Extension Request' button. Below that, 'Recess Requests' are shown with 1 remaining, but a message states 'Recess Requests are not allowed at this time'.

If a bidder has not submitted and verified a bid by the end of the bidding phase of the round and has extension requests remaining, that bidder is automatically deemed to have submitted an extension request.

Automatic Extension in Round 1

The bidding phase in round 1 is automatically extended for the convenience of bidders. If a bidder requests an extension in round 1, the bidder's requested extension will run concurrently with the automatic extension, and the bidder will have its available number of remaining extensions reduced by 1.

Recess Requests

Recess requests are requests to extend the reporting phase of a round for at least 20 minutes.

A recess may be requested **ONLY** when:

- a. The Auction is in the calculating or reporting phase *and*
- b. The bidder has a recess request remaining *and*
- c. The Auction has reached at least round 11 *and*
- d. The total excess supply in the prior round was 40 tranches or fewer in the BGS-RSCP Auction or 20 tranches or fewer in the BGS-CIEP Auction.

Recess requests can no longer be made when the last half of the reporting phase, or the last five minutes, whichever occurs earlier, is reached.

D.12. Terms and Conditions of Access to the Auction Software

The following auctions (“Auctions”) are being conducted under the auspices of the New Jersey Board of Public Utilities (as more fully described in Docket No. ER17040335; In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2018): (1) an auction by which all EDCs will secure supply to meet their Commercial and Industrial Energy Pricing Basic Generation Service (“BGS-CIEP”) load for a period of one year, and (2) an auction by which all of the EDCs will secure supply to meet their Residential Small Commercial Pricing Basic Generation Service (“BGS-RSCP”) load for a period of three years, in each case for a period beginning June 1, 2018. For the sake hereof the term “EDC” refers to the following electric distribution companies: Atlantic City Electric Company, (“ACE”), Jersey Central Power & Light Company (“JCP&L”), Public Service Electric and Gas Company (“PSE&G”) and Rockland Electric Company (“RECO”).

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Accept	Accept
--------	--------

Licensee AGREES to the foregoing terms and conditions governing all access to and use of the Application by or on behalf of Licensee.

or

Refuse	Refuse
--------	--------

Licensee does NOT AGREE to the foregoing terms and conditions. If Licensee does not agree to these terms and conditions, Licensee shall not be able to access or use the Application.

D.13. Appendix: Free Eligibility

Bidders may start a round with free eligibility. “Free eligibility” is eligibility that is not assigned to any EDC and that can be bid on any EDC. Free eligibility occurs in two ways:

- If a denied switch is “outbid” then the bidder has free eligibility for the number of tranches that were outbid. This occurs when a bidder was denied a switch from an EDC in a previous round, other bidders bid new tranches on that EDC in the current round, and a newly bid tranche at the going price replaces the denied switch in filling the tranche target for that EDC. The denied switch is then outbid: the tranche is released and becomes free eligibility.
- If there is a volume reduction, it is possible that the new tranche target for an EDC will be below the number of tranches that a bidder bid on that EDC in the previous round. In that case, the bidder will receive tranches of free eligibility equal to the difference between the number of tranches the bidder had bid and the new tranche target.

If the bidder does not bid free eligibility right away (i.e., in the bidding phase immediately following the report of free eligibility), the tranches will be withdrawn. Tranches of free eligibility are not associated with any particular EDC and so no exit price is associated with these tranches when they are withdrawn.

This sub-section provides sample bid sequences when submitting bids with free eligibility in a round. These examples include:

- Withdrawing from free eligibility.
- Increasing the number of tranches bid on an EDC using free eligibility.
- Withdrawing and switching when there is free eligibility (withdrawing from free eligibility).
- Withdrawing and switching when there is free eligibility (withdrawing from an EDC).

Free Eligibility Through an Outbid Denied Switch

This sub-section illustrates a bid sequence that leads to a bidder having one (1) tranche of free eligibility.

In round 1, the bidder has initial eligibility of 21 tranches. The bidder enters the following bid:

- PSE&G – 10 tranches
- JCP&L – 7 tranches
- ACE – 3 tranches
- RECO – 1 tranche

The report to the bidder on its bid is the following:

The screenshot shows the 'REPORTS' section of the BGS-RSCP Auction software. At the top, it displays 'System Time: 10:58:00 - New York City' and 'Logged on as: BidderA (Bidder)'. A summary bar shows: Current Round: 1, Auction Status: Reporting, Time Remaining: 05:00, Bids Placed?: Yes, Current Eligibility: 21, Auction Volume: 57, and Current Phase Requests: 1.

The 'Reports' section is active, showing a 'Round Report: Accepted Bid - Round 1'. The report includes a table with the following data:

	PSE&G	JCP&L	ACE	RECO	Total
Round 1 Tranches at Going Price	10	7	3	1	21
Tranches Retained from Denied Switches at Price	--	--	--	--	--
Tranches Withdrawn at Exit Price	--	--	--	--	--
Tranches Retained from Withdrawals at Exit Price	--	--	--	--	--
Free Eligibility					--
Total Eligibility					21
Round 2 Price	16.560	16.653	16.673	16.407	

In Round 2, the bidder requests a switch, reducing its tranches bid on PSE&G from 10 to 8 tranches while increasing its tranches bid on JCP&L from 7 to 9.

The bidder’s request to switch is partially denied because it would result in an insufficient number of tranches to fill the PSE&G tranche target. The report to the bidder on its bid is provided below. The bidder has 1 denied switch on PSE&G, which is retained at the price it was last freely bid (\$17.000¢/kWh).

Round Report: Accepted Bid - Round 2

	PSE&G	JCP&L	ACE	RECO	Total
Round 2 Tranches at Going Price	8	8	3	1	20
Tranches Retained from Denied Switches at Price	1	--	--	--	1
Tranches Withdrawn at Exit Price	--	--	--	--	
Tranches Retained from Withdrawals at Exit Price	--	--	--	--	
Free Eligibility					--
Total Eligibility					21
Round 3 Price	16,560	16,450	16,465	15,915	

In Round 3, the bidder maintains its bid from Round 2. The bid entry table (below) reminds the bidder that the bidder has 1 denied switch for PSE&G.

BID ENTRY
BGS-RSCP Auction

System Time: 11:13:53 - New York City
Logged on as: BidderA (Bidder) [Logout](#)

Current Round
3

Auction Status
Bidding

Time Remaining
07:07


Bids Placed?
Yes

Current Eligibility
21

Auction Volume
57

Current Phase Requests
2

Actions


 Print

Bid Confirm/Accept

Bid received for Bidder A before bidding closed for round 3.
 Bid processed at 12/08/2017 11:13:43 EST.

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	8	8	3	1	20
at Going Price	16.560	16.450	16.465	15.915	
Switches In (+) and Out (-)	--	--	--	--	
Switch Priority	--	--	--	--	
Tranches Retained from Denied Switches	1	--	--	--	1
at Price	17.000	--	--	--	
Current Tranches Withdrawn	--	--	--	--	
at Exit Price	--	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

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The round report to the bidder on its bid is the following:

The screenshot shows the 'Reporting' section of the BGS-RSCP Auction software. At the top, there are navigation icons and a 'REPORTS' tab. The system time is 11:20:07 - New York City, and the user is logged in as BidderA (Bidder). A summary bar shows: Current Round: 3, Auction Status: Reporting, Time Remaining: 04:53, Bids Placed?: Yes, Current Eligibility: 21, Auction Volume: 57, and Current Phase Requests: 1.

The 'Reports' section is active, showing a 'Round Report' for Round 3. The report title is 'Round Report: Accepted Bid - Round 3'. The table below details the bid components:

	PSE&G	JCP&L	ACE	RECO	Total
Round 3 Tranches at Going Price	8	8	3	1	20
Tranches Retained from Denied Switches at Price	--	--	--	--	--
Tranches Withdrawn at Exit Price	--	--	--	--	--
Tranches Retained from Withdrawals at Exit Price	--	--	--	--	--
Free Eligibility					1
Total Eligibility					21
Round 4 Price	16.477	16.450	16.259	15.438	

The bidder no longer has a denied switch. Other bidders bid new tranches at the going price on PSE&G, *outbidding* the bidder’s denied switch. The bidder gets one (1) tranche of *free eligibility*.

Example 1: Withdrawing from Free Eligibility**Step 1: Enter the Bid**

On the bid entry table, the one (1) tranche of free eligibility appears in a separate row:

BID ENTRY

BGS-RSCP Auction

System Time: 11:21:11 - New York City Logged on as: BidderA (Bidder) Logout

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
4	Bidding	08:49	No	21	57	2

Bid Entry

Step 1: Bid the number of tranches desired on each product.

	PSE&G	JCP&L	ACE	RECO	Total
Round 3 Tranches	8	8	3	1	20
at Price	16.560	16.450	16.465	15.915	
Free Eligibility					1
Round 4 Going Price	16.477	16.450	16.259	15.438	
Tranches Bid	8	8	3	1	20

Submit Bids Reset Bids

The bidder's eligibility, as seen in the Status Bar, is 21 tranches. The bidder had one denied switch on PSE&G that is now free eligibility and can be bid on any EDC. Tranches of free eligibility must be bid in the round in which they become available or the eligibility associated with these tranches will be lost.

To withdraw the tranche of free eligibility, simply maintain the number of tranches bid at the going price on all EDCs to bid a total of 20 tranches.

When a tranche of free eligibility is withdrawn, a bidder does not name an exit price.

When satisfied with the number of tranches specified on the pull-down menus, click **Submit Bids**.

Step 2: Verify the Bid

Before proceeding, it is necessary to verify that the bid entered is correct. The bidder *must* confirm the bid by clicking **Verify Bids**.

BID ENTRY BGS-RSCP Auction

System Time: 11:21:51 - New York City Logged on as: BidderA (Bidder) Logout

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
4	Bidding	08:09	No	21	57	2

Actions **Bid Confirm/Accept**

Step 2: You have specified all of the information for your bid submission. Now, verify your bid. Press Verify Bids when complete or bid will be invalid.

Warning - The number of tranches bid is not sufficient to maintain your current eligibility. If you do not select the 'Change Bids' button below, your eligibility will be reduced by the number of tranches you are withdrawing from the auction (including any unused free eligibility). Withdrawn tranches will not add to the eligibility total and no eligibility is required to retain withdrawn tranches.

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	8	8	3	1	20
at Going Price	16.477	16.450	16.259	15.438	
Switches In (+) and Out (-)	--	--	--	--	
Switch Priority	--	--	--	--	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	--	--	--	--	
at Exit Price	--	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

Verify Bids
Change Bids

Step 3: Print the Bid

After the bidder clicks **Verify Bids**, and after the bid is received and processed by the Auction Software, the *Bid Received* page is displayed. Print the bid receipt for your records by clicking the **PRINT** icon in the “Actions” box on the left. At this stage, your bid is received and processed by the Auction Software and the “Bids Placed?” box on the Status Bar will indicate “Yes”.

The screenshot shows the 'BID ENTRY' interface for a 'BGS-RSCP Auction'. At the top, it displays 'System Time: 11:22:19 - New York City' and 'Logged on as: BidderA (Bidder)'. A status bar contains several metrics: Current Round (4), Auction Status (Bidding), Time Remaining (07:41), Bids Placed? (Yes), Current Eligibility (21), Auction Volume (57), and Current Phase Requests (2). On the left, an 'Actions' box contains a printer icon and the word 'Print'. The main area is titled 'Bid Confirm/Accept' and features a green notification box stating: 'Bid received for Bidder A before bidding closed for round 4. Bid processed at 12/08/2017 11:22:14 EST.' Below this is a table with the following data:

	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	8	8	3	1	20
at Going Price	16.477	16.450	16.259	15.438	
Switches In (+) and Out (-)	--	--	--	--	
Switch Priority	--	--	--	--	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	--	--	--	--	
at Exit Price	--	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	

At the bottom of the main area is a 'Change Bids' button.

Example 2: Using Free Eligibility to Increase the Number of Tranches Bid on an EDC

Step 1: Enter the Bid

On the bid entry table, the one (1) tranche of free eligibility appears in a separate row:

Bid Entry

Step 1: Bid the number of tranches desired on each product.

	PSE&G	JCP&L	ACE	RECO	Total
Round 3 Tranches	8	8	3	1	20
at Price	16.560	16.450	16.465	15.915	
Free Eligibility					1
Round 4 Going Price	16.477	16.450	16.259	15.438	
Tranches Bid	9	8	3	1	21

Buttons: **Submit Bids** (red), **Reset Bids** (grey)

To bid the tranche of free eligibility on PSE&G, select 9 tranches from the pull-down menu, increasing the number of tranches bid on PSE&G by one.

When satisfied with the number of tranches specified on the pull-down menus, click **Submit Bids**.

The additional steps of the bid entry process are omitted to keep this appendix brief. As previously explained, the bidder *must* confirm the bid by clicking **Verify Bids**. Click the **PRINT** icon to print the bid for your records.

Example 3: Withdrawing from Free Eligibility and Switching

Step 1: Enter the Bid

On the bid entry table, the one (1) tranche of free eligibility appears in a separate row:

Bid Entry

Step 1: Bid the number of tranches desired on each product.

	PSE&G	JCP&L	ACE	RECO	Total
Round 3 Tranches	8	8	3	1	20
at Price	16.560	16.450	16.465	15.915	
Free Eligibility					1
Round 4 Going Price	16.477	16.450	16.259	15.438	
Tranches Bid	9	8	2	1	20

Buttons: **Submit Bids** | **Reset Bids**

For all EDCs combined, 21 tranches were bid in the previous round and 20 tranches are bid in the current round. One (1) tranche is withdrawn. There is also a switch since the number of tranches bid PSE&G is increased.

When satisfied with the number of tranches specified on the pull-down menus, click **Submit Bids**.

Step 2: Designate That the Tranche Withdrawn Is From Free Eligibility

When the bidder clicks **Submit Bids**, a page is displayed for the bidder to designate whether it is withdrawing a tranche from ACE or whether it is withdrawing a tranche of free eligibility.

Use the pull-down menu to designate that no tranches are withdrawn from ACE. The one (1) tranche is withdrawn from free eligibility.

BID ENTRY BGS-RSCP Auction

System Time: 11:26:29 - New York City Logged on as: BidderA (Bidder) Logout

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
4	Bidding	03:31	No	21	57	2

Bid Entry

Step 2: Please designate which tranches to withdraw in the following table.

Warning - The number of tranches bid is not sufficient to maintain your current eligibility. If you do not select the 'Change Bids' button below, your eligibility will be reduced by the number of tranches you are withdrawing from the auction (including any unused free eligibility). Withdrawn tranches will not add to the eligibility total and no eligibility is required to retain withdrawn tranches.

	PSE&G	JCP&L	ACE	RECO	Total
Prior Round Tranches	8	8	3	1	20
Tranches to Withdraw	--	--	0	--	0
Switches In (+) and Out (-)	+1	--	-1	--	0*
Current Round Tranches Bid	9	8	2	1	20

* Because you have free eligibility of 1, you can specify withdrawals such that the "Switches In (+) and Out (-)" total is between 0 and +1.0.

Continue Reset Bids Change Bids

Click **Continue** to go to the Verification page.

When a tranche of free eligibility is withdrawn, a bidder does not name an exit price.

The additional steps of the bid entry process are omitted to keep this appendix brief. As previously explained, the bidder **must** confirm the bid by clicking **Verify Bids**. Click the **PRINT** icon to print the bid for your records.

Example 4: Withdrawing From an EDC and Switching When There is Free Eligibility**Step 1: Enter the Bid**

On the bid entry table, the one (1) tranche of free eligibility appears in a separate row:

Bid Entry

Step 1: Bid the number of tranches desired on each product.

	PSE&G	JCP&L	ACE	RECO	Total
Round 3 Tranches	8	8	3	1	20
at Price	16.560	16.450	16.465	15.915	
Free Eligibility					1
Round 4 Going Price	16.477	16.450	16.259	15.438	
Tranches Bid	9	8	2	1	20

Submit Bids Reset Bids

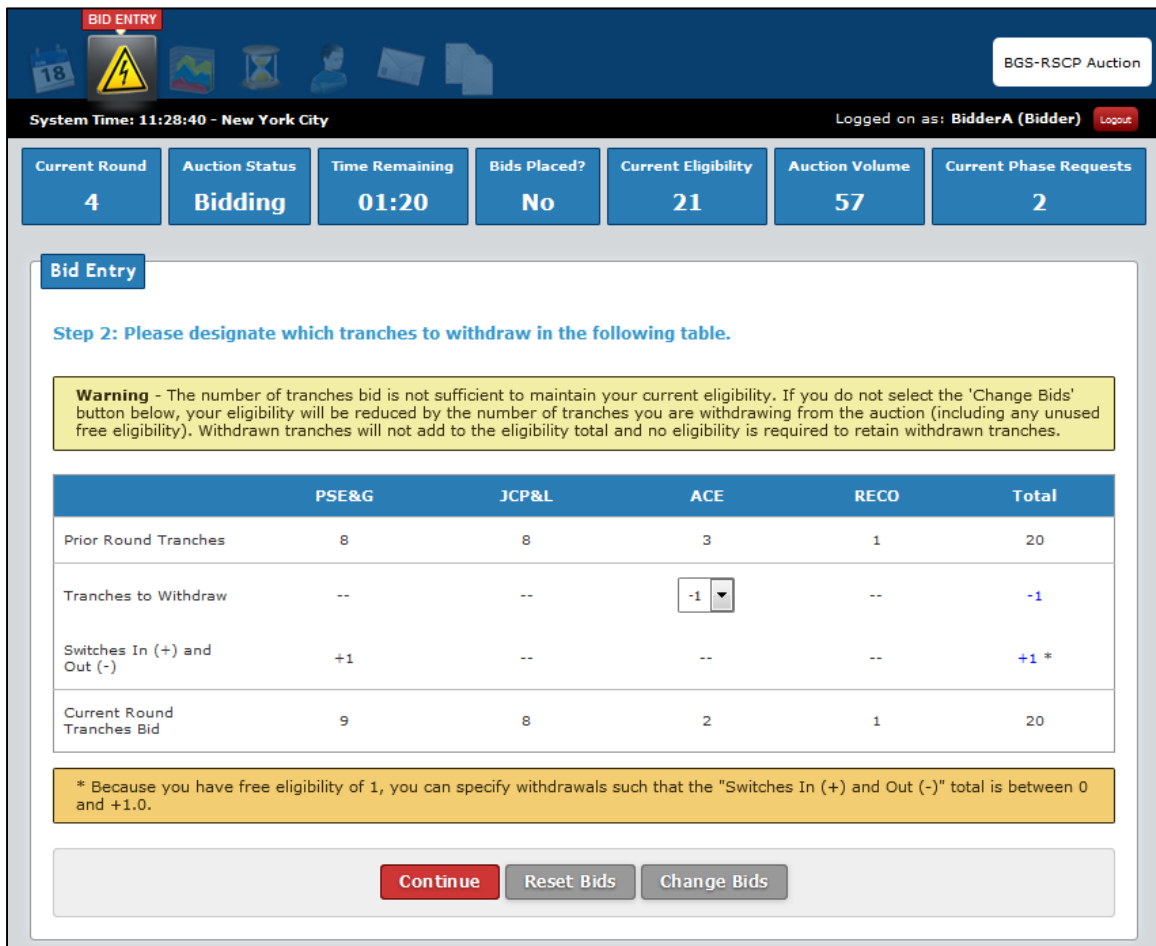
For all EDCs, 21 tranches were bid in the previous round and 20 tranches are bid in the current round. One (1) tranche is withdrawn. There is also a switch since the number of tranches bid on PSE&G increases.

Note that this is the same bid as in the previous situation. However, in this case, the bidder will elect to withdraw a tranche from an EDC rather than from free eligibility. When satisfied with the number of tranches specified in the pull-down menus, click **Submit Bids**.

Step 2: Designate That the Tranche Withdrawn Is From an EDC

When the bidder clicks **Submit Bids**, a page is displayed for the bidder to designate whether it is withdrawing a tranche from ACE or whether it is withdrawing a tranche of free eligibility.

Use the pull-down menu to designate that one (1) tranche is withdrawn from ACE.



BID ENTRY BGS-RSCP Auction

System Time: 11:28:40 - New York City Logged on as: BidderA (Bidder) Logout

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
4	Bidding	01:20	No	21	57	2

Bid Entry

Step 2: Please designate which tranches to withdraw in the following table.

Warning - The number of tranches bid is not sufficient to maintain your current eligibility. If you do not select the 'Change Bids' button below, your eligibility will be reduced by the number of tranches you are withdrawing from the auction (including any unused free eligibility). Withdrawn tranches will not add to the eligibility total and no eligibility is required to retain withdrawn tranches.

	PSE&G	JCP&L	ACE	RECO	Total
Prior Round Tranches	8	8	3	1	20
Tranches to Withdraw	--	--	-1	--	-1
Switches In (+) and Out (-)	+1	--	--	--	+1*
Current Round Tranches Bid	9	8	2	1	20

* Because you have free eligibility of 1, you can specify withdrawals such that the "Switches In (+) and Out (-)" total is between 0 and +1.0.

Continue Reset Bids Change Bids

Click **Continue** to go to the Verification page.

Step 3: Name an Exit Price

When a bidder withdraws tranches from an EDC, an exit price must be specified. This exit price must be greater than the going price for that EDC, but the exit price can be no more than the previous price. The Auction Software indicates the lowest and highest acceptable exit prices for any tranches that are withdrawn by the bidder.

BID ENTRY BGS-RSCP Auction

System Time: 11:29:07 - New York City Logged on as: BidderA (Bidder) Logout

Current Round	Auction Status	Time Remaining	Bids Placed?	Current Eligibility	Auction Volume	Current Phase Requests
4	Bidding	00:53	No	21	57	2

Bid Entry

Step 3: Place Exit Prices. Please enter an exit price no greater than the prior going price and above the current going price.

Warning - The number of tranches bid is not sufficient to maintain your current eligibility. If you do not select the 'Change Bids' button below, your eligibility will be reduced by the number of tranches you are withdrawing from the auction (including any unused free eligibility). Withdrawn tranches will not add to the eligibility total and no eligibility is required to retain withdrawn tranches.

	PSE&G	JCP&L	ACE	RECO
Maximum Exit Price	--	--	16.465	--
Exit Price	--	--	16.30	--
Minimum Exit Price	--	--	16.260	--

Continue Reset Bids Change Bids

Enter an exit price for the tranche withdrawn from ACE. Click **Continue** to go to the [Verification](#) page.

The additional steps of the bid entry process are omitted to keep this appendix brief. As previously explained, the bidder *must* confirm the bid by clicking **Verify Bids**. Click the **PRINT** icon to print the bid for your records.

E. TECHNICAL PREPAREDNESS

The disclaimer provided as Section A of this January Bidder Information Packet applies to all sections, including this section. Bidders bear full responsibility for reviewing all governing documents and for complying with any additional instructions from the Auction Manager during the Auction Process.

This section provides a list of actions that a bidder may take to reduce the probability that the bidder will experience technical difficulties during the Auctions or that the bidder would have to resort to using the backup bidding procedure. *However, please note that this section is provided for bidder convenience only and that each bidder is solely and independently responsible for evaluating all measures, actions, and equipment that may be needed to reduce the probability that the bidder will experience technical difficulties during the Auctions.*

Recommendation 1: Review the Auction Software Manual

The Auction Software Manual, Section D of this January Bidder Information Packet, provides a description of the system requirements needed to submit bids online. A bidder should ensure that the operating systems and web browsers are supported by the Auction Software so that the Auction Software functions properly on the computers that will be used for submitting bids.

The Auction Software Manual also provides screenshots of sample bid sequences. Although the Auction Software Manual does not purport to provide screenshots for all circumstances that a bidder can encounter, reviewing the Auction Software Manual will help the bidder be prepared for the steps needed to submit bids and the screens from the Auction Software that may be encountered in the process.

Recommendation 2: Participate in the Trial Auctions

The Trials Auctions are the opportunity for bidders to practice the bid submission procedures, both the submission of bids online through the Auction Software and the submission of a backup bid by phone. While a bidder may have participated in past Auctions and while the Auction Software is similar to that used in past Auctions, there may be changes in personnel, in the computer equipment used, in the operating system installed, or in the browser that can affect the experience of the bidding process. Participation in the Trial Auctions can be used to test that the systems that a bidder has in place to submit bids are functioning properly and to remedy, before the actual Auctions, any problems that are identified during the Trial Auctions.

Recommendation 3: Be Prepared to Bid from Two Separate Locations

Bidders can consider having members in different geographical locations, or at least in different building premises, each with access to the login credentials (Login ID, password, and code keys) required to bid. Having more than one bidding location reduces the likelihood that telecommunications, hardware, power, or other disruptions affecting a particular geographical location will impair the bidder's participation in the Auctions.

Recommendation 4: Have a Backup Method for Connecting to the Internet

Having access to the internet through your company's usual means (e.g., your company's network) as well as having secondary access through an alternative provider (e.g., a wireless card) reduces the likelihood that disruption in the bidder's internet connection will impair the bidder's participation in the Auctions. Of course, this secondary Internet connection should be a connection that is independent of the primary connection (e.g., having a wired and wireless connections both through your company's network does not reduce the likelihood of disruptions).

Recommendation 5: Synchronize Clock to the Official Auction Time

Bidders are responsible for submitting bids on time. To help ensure accurate timekeeping, bidders can synchronize their clocks to the office time used in the Auctions, which is the time provided in the Auction Software.

Recommendation 6: Check the Auction Schedule and System Mail Often

The schedule on a given Auction day is likely to change. If bidders request extensions or recesses, the schedule will update to reflect the requests of bidders. The Auction Manager may change the schedule for a variety of reasons, including avoiding schedule conflicts when both Auctions run concurrently. Bidders can check the schedule often to be aware of the most up-to-date times of upcoming phases of the rounds. Bidders can monitor their system mail to receive announcements regarding the schedule. For more information regarding the schedule and the use of the System Mail, please see the Auction Software Manual in Section D of this January Bidder Information Packet.

Recommendation 7: Update the User Profile as Often as Necessary

The Auction Manager relies on the contact information provided through the Auction Software to reach bidders during bidding. If a bidder updates its User Profile with the contact information of the individuals submitting bids at any particular time, this will help ensure that the Auction Manager can successfully reach the bidder as needed. The Auction Software allows the possibility of entering contact information for more than one

individual and also allows the submission of an alternative telephone number and a cell phone number for each individual.

F. BACKUP BIDDING

The disclaimer provided as Section A of this January Bidder Information Packet applies to all sections, including this section. Bidders bear full responsibility for reviewing all governing documents and for complying with any additional instructions from the Auction Manager during the Auction Process.

If bidders encounter difficulties submitting bids through the Auction Software, bidders may submit backup bids by phone. During the course of the Auctions, the Auction Manager Team will record all phone calls to and from bidders for record keeping purposes. Prior to the start of the Auctions, the Authorized Representative will consent to calls being recorded. At the beginning of every call, the Auction Manager Team will endeavor to remind the bidder that the call is being recorded.

This section provides the steps needed to submit a backup bid by phone.

Step 1. Have the Confidential Information Packet on Hand

The Authorized Representative named in the Part 1 Application and any Nominees (the “Bidder Team”) will receive on January 30, 2018 a Confidential Information Packet for participation in the Auctions. This Confidential Information Packet includes a login credentials page with a Login ID, initial password, and code keys. Section C discusses this Confidential Information Packet in more detail. Have at hand the login credentials page as a bidder placing a backup bid is asked for the bidder’s Login ID and a code key.

Step 2. Phone the Helpline

If a bidder is experiencing technical difficulty in submitting your bid, the bidder should phone the helpline (973 297-0880) to reach a Technical Assistant at the first opportunity to allow for sufficient time to place a backup bid. A backup bid is valid only when entered and verified by a Technical Assistant during the bidding phase and processed by the Auction Software. A bidder is responsible for ensuring that the backup bid is submitted with sufficient time.

The rules on extensions as specified under “Pauses in the Auction” in the Auction Rules (provided as Section IX.C.9 of the BGS-RSCP Auction Rules or Section VIII.C.9 of the BGS-CIEP Auction Rules) apply to all bids including backup bids. If a bidder has extensions left, has not submitted a bid, and the Auction Manager Team is not able to enter the bid during the bidding phase, an extension will be triggered on behalf of the bidder. The Technical Assistant continues the bid entry process during the extension.

Step 3. Provide Authentication Information

Before processing a backup bid, a Technical Assistant asks the bidder for specific information that allows the Technical Assistant to authenticate the identity of the bidder. The technical assistant will ask for the bidder's company name, Login ID, and an unused code key. This information is provided on the login credentials page of the Confidential Information Packet.

Step 4. Submission and Confirmation of Backup Bid

Once the bidder has been authenticated, the Technical Assistant asks for all information necessary to completely specify the bid and to place the bid through the Auction Software on the bidder's behalf. This information always includes the number of tranches bid on each EDC¹ at the going prices for the round and may include additional information, such as exit prices and switching priorities. If there are any errors or inconsistencies in the information provided, the Technical Assistant will not be able to place the bid. It is entirely the responsibility of the bidder to provide a bid consistent with the Auction Rules.

The Technical Assistant provides a verbal confirmation of the backup bid. A bidder may request a printed confirmation. Such confirmation consists of a printout of the *Bid Received* page as shown below.

¹ The EDCs are Public Service Electric and Gas Company ("PSE&G"), Jersey Central Power & Light Company ("JCP&L"), Atlantic City Electric Company ("ACE"), and Rockland Electric Company ("RECO").

Figure 1. Illustration of a Confirmation (RSCP version)

Bid received for Bidder A before bidding closed for round 1. Bid processed at 12/11/2017 20:11:51 EST.					
	PSE&G	JCP&L	ACE	RECO	Total
Current Bid	8	5	2	--	15
at Going Price	17.000	17.000	17.000	17.000	
Switches In (+) and Out (-)	--	--	--	--	
Switch Priority	--	--	--	--	
Tranches Retained from Denied Switches	--	--	--	--	--
at Price	--	--	--	--	
Current Tranches Withdrawn	--	--	--	--	
at Exit Price	--	--	--	--	
Tranches Retained from Withdrawals	--	--	--	--	
at Exit Price	--	--	--	--	